SUPREME COURT OF THE UNITED STATES.

No. 204.

JAMES C. C. BELL, ROBERT GRANT, AND JAMES MARTIN BELL, PARTNERS UNDER THE FIRM OF BELL & GRANT, APPELLANTS,

vs.

THE OHIO LIFE INSURANCE AND TRUST COMPANY, J. P. KILBRETH, TRUSTEE, AND CHARLES STETSON, ET AL.

APPEAL FROM THE CIRCUIT COURT OF THE UNITED STATES FOR THE SOUTHERN DISTRICT OF OHIO.

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1 At a circuit court of the United States for the seventh circuit and southern district of Ohio, begun and held at the court-house, in the city of Cincinnati, on the third Tuesday, being the nineteenth day of October, in the year of our Lord one thousand eight hundred and fifty-eight, and of the independence of the United States of America the eighty-third.

Present: The Honorable John McLean and the Honorable Humphrey H. Leavitt, judges of said court.

Among other the following proceedings were had, to wit:

JAMES C. C. BELL, ROBERT GRANT, AND JAMES MARTIN BELL, partners under firm of Bell & Grant,
vs.
THE OHIO LIFE INSURANCE AND TRUST COMPANY, CHARLES Stetson, Abraham M. Taylor, John C. Wright, Samuel J. Broadwell, George Crawford, Nathaniel Wright, Samuel B. Keys, George T. Stedman, Charles G. Enyart, Samuel C. Parkhurst, Samuel Fosdick, George Lucky, Clement Dietrich, Samuel Forrer, *Robert Bayard, and George S. Coe, I. B. Hosmer, and Samuel B. Foote.* } In chancery.

Be it remembered, that heretofore, to wit, on the 16th day of October, in the year of our Lord one thousand eight hundred and fifty-eight, came the complainants herein, James C. C. Bell, Robert Grant, and James Martin Bell, partners under firm of Bell & Grant, and filed their bill of complaint against the Ohio Life Insurance and Trust Company, Charles Stetson, Abraham M. Taylor, John C. Wright, Samuel J. Broadwell, George Crawford, Nathaniel Wright, Samuel B. Keys, George T. Stedman, Charles G. Enyart, Samuel C. Parkhurst, Samuel Fosdick, George Lucky, Clement Dietrich, Samuel Forrer, *Robert Bayard, and George S. Coe, I. B. Hosmer, and*
2 *Samuel B. Foote,* which is in the words and figures following, to wit:

To the judges of the circuit court of the United States for the southern district of Ohio:

James C. C. Bell, Robert Grant, and James Martin Bell, all aliens, subjects, and citizens of the kingdom of Great Britain, resident in the city of London, England, and partners under the firm of Bell & Grant, bring this bill against the Ohio Life Insurance and Trust Company, a corporation of the State of Ohio, having its principal office at Cincinnati, in said southern district, Charles Stetson, Abraham M. Taylor, John C. Wright, Samuel J. Broadwell, George Crawford, Nathaniel Wright, Samuel B. Keys, George T. Stedman, Charles G. Enyart, Samuel C. Parkhurst, Samuel Fosdick, George Lucky, Clement Dietrich, and Samuel Forrer, all of whom are citizens of Ohio, and residents in said southern district, and *Robert Bayard and George S. Coe, citizens and residents of the State of New York, and I. B. Hosmer and Samuel E. Foote, citizens and residents of the State of Connecticut,* * and the said plaintiffs do aver and charge:

1st. That at the February term, A. D. 1858, of said circuit court, the plaintiff recovered a judgment against the said the Ohio Life Insurance and Trust Company, for the sum of $259,293 50 damages, together with costs, which said judgment remains in full force and unsatisfied, except as to about the sum of $22,493 42; that the plaintiffs have caused execution to issue on said judgment against the said defendant therein, to the marshal

* Vide amended bill.

of said southern district, which has been returned by said marshal that he could find no goods, chattels, or lands whereon to levy; that the plaintiffs can find no property subject to execution at law, whereof to levy
3 their said judgment, and are, therefore, obliged to resort to the chancery jurisdiction of this court.

2nd. That on or about the 24th of August, A. D. 1857, the said the Ohio Life Insurance and Trust Company suspended payment, and afterwards made and delivered an assignment of all their property, real and personal, including choses in action wherever situate, belonging to said company, to the said defendants, Charles Stetson, John C. Wright, Samuel J. Broadwell, George Crawford, Abraham M. Taylor, Samuel Fosdick, and Clement Dietrich, who accepted the same, and entered upon the duties of assignees, a copy whereof is attached to this bill, marked Exhibit A, and made part thereof.

3rd. That the said company was insolvent, and had not sufficient property or assets to pay its liabities to its creditors; on the contrary, besides the loss of its total capital stock, amounting to about two millions of dollars, there was a loss of the assets to such an extent as to leave a deficit of about one million and a quarter of dollars short of the indebtment of said company.

4th. That said great loss of capital and assets was caused by the gross negligence and want of ordinary care on the part of said Charles Stetson, Abraham M. Taylor, John C. Wright, Samuel J. Broadwell, George Crawford, Nathaniel Wright, Samuel B. Keys, George T. Stedman, Charles G. Enyart, Samuel C. Parkhurst, Samuel Fosdick, George Lucky, Clement Dietrich, and Samuel Forrer, all of whom are citizens of Ohio, and residents in said southern district, *and Robert Bayard and George S. Coe, citizens and*
4 *residents of the State of New York, and I. B. Hosmer and Samuel E. Foote, citizens and residents of the State of Connecticut*, who were, at the time of said suspension, and for a long time prior thereto, the trustees of said company, and consisted, among other delinquencies and breaches of duty, on the part of said trustees, in the following particulars, that is to say:

In failing to make examinations of the condition of said company as required by the bye-laws and rules thereof; in making loans and advances to railroad companies and individuals of large sums upon insufficient security, and in modes and upon terms contrary to the charter, bye-laws, and standing rules of the company; in declaring and paying dividends to the stockholders of said company without proper examination of the condition of said company after the capital thereof was greatly impaired by losses, and thereby diminishing the fund for payment of creditors; in failing to hold the monthly meetings as provided in the eighth section of the bye-laws; in allowing Edwin C. Ludlow, the cashier of said company, at its office in the city of New York, to borrow money for the use of said company, unlimited as to amount, and at such rate of interest, time, and other conditons as said Ludlow might determine, to pledge the notes, bills, and stocks, and other choses of said company, as collateral security for such loans, to deal in stocks, and buy and sell the same on account of said company, to purchase and sell the stock of said company for its account, to make discounts and loans of the money of said company in unlimited amount, and to transact the business of receiving deposits, purchasing, and selling bills of
5 exchange, loaning and borrowing money, and transacting all other banking business, which said company was authorized to transact for and on account of said company without the intervention or supervision of said trustees, by means of which transactions on the part of said Ludlow, immense losses were sustained by said company, the amount

of which the plaintiffs are unable to state accurately, but they have been informed that said assignees admit or state such losses at upwards of three millions of dollars.

That the said trustees failed and neglected to exercise a due control and supervision over said Ludlow, and to make regular and proper examinations of the accounts and transactions of said Ludlow, and in consequence of such neglect, the said Ludlow was allowed to proceed in the disastrous course he was engaged in until the date of said suspension, whereas if the said trustees had properly discharged their duties in that regard this loss, through the transactions of said cashier, would not have happened, or would have been arrested at an early date, and before it had reached any considerable amount, all which acts and omissions were contrary to the duty of said trustees, and to the provisions of the charter, bye-laws, and standing rules of said company, a copy of which charter, bye-laws, and rules is herewith exhibited and made a part of this bill.

That the first suspension occurred on said 24th of August, 1857, at the office of said company in New York upon the failure of said Ludlow, its cashier, to meet the liabilities of said company then presented, and upon notice by telegraphic dispatch of said suspension, the said trustees
6 on the same day suspended payment at the office in Cincinnati.

That said trustees thereupon, contrary to their duties and trusts, proceeded to pay certain of the creditors of said company in full by the assignment of notes, bonds, and other assets of said company, and in this way disposed of about four millions of said assets, and continued to make such partial distribution of the assets until the date of said assignment.

That it was the duty of said trustees, upon said suspension, to hold all said assets for equal distribution among the credtors, at least until it clearly appeared that the assets were ample to pay all the creditors in full, instead of which they made said partial distribution in total and acknowledged ignorance of *of* the true condition of the assets and liabilities of said company, and to the great prejudice and loss of the plaintiffs and other creditors of said company whose claims were left unpaid.

That during the time intervening between said suspension and said assignment, it was the general and notorious report and belief that the assets of said company would not pay its liabilities, and the consequence was that the market value of claims against the company fell greatly below their par amount, ranging from 80 to 45 per cent. discount, and during the same time the said trustees, or most of them, availed themselves of the depreciation of said claims, and bought them at various rates of discount, and then under the sanction of the board of trustees applied them to the payment of the undivided debts and liabilities of the said trustees to said company at the par amount of such purchased claims.

7 That this system of favoritism, as well to said individual trustees as other favored creditors, was kept up as long as said trustees could avoid an assignment, so much so that although the resolution of the board of trustees to make an assignment was passed on the 15th of September, 1857, the assignment was not in fact made until the 26th of same month, and was so deferred to allow said trustees and their friends to pay off their debts and receive their claims. That when said assignment could no longer be deferred the said board of trustees selected and constituted a part of their own body as assignees, and in effect made the assignment to themselves, in order thereby to keep to themselves a virtual control over said assets, and to prevent any inspection of the books, accounts, and proceedings of said trustees by any person or persons outside of said board of trustees and the officers and employees of said company.

That the said six trustees, so made, by their own concurrent action, the

assignees of said company accepted said office, and have continually since acted therein, and yet remain members of said board of trustees as plaintiffs are informed and charge.

That the said assignees, though frequently applied to for that purpose, have refused to allow any examination to be made of the accounts, assets, and condition of said trust fund on behalf of creditors, and especially upon a written application, made for that purpose by the plaintiffs, refused to allow of any examination.

That said assignees have rendered no account to said company, its stockholders or creditors of the condition of the assets which came to their
8 hands, and of the manner in which they have been disposed of by them, or any particulars or detailed statement of said assets or of said liabilities. That said assignees, under the pretended power of compromise contained in said assignment, have in effect allowed preferences to some of the creditors of said company, and have greatly wasted and misapplied the said assets in the employment of counsel and agents more numerous than necessary at high rates of compensation, and in running into great extravagance and unusual expenses in the management of said trust. That said assignees have wrongfully given to said Ludlow, cashier, a release from all liability to said company, being moved thereto by the fear that said Ludlow would otherwise expose the knowledge and complicity of said trustees, or some of them, in the said transactions of said Ludlow, hereinbefore referred to; and they, the said assignees, in order to conceal the fact of such release, have personally, or by the agency of others, requested the said Ludlow to keep silent on the subject of said release.]*

All which actings and doings are contrary to equity, and tend to the great injury of the plaintiffs, who are without adequate remedy except on the chancery side of this honorable court.

And the plaintiffs further say that they bring this bill not solely on their own account, but for and on behalf equally of the other creditors of said company, who will come in and contribute to the costs of this suit, and they say they cannot bring the same in the corporate name of said company because none but said trustees or assignees are authorised so to
9 use it.

[The plaintiffs pray that a receiver or receivers be appointed by this court to take charge of the assets, books and all the property of the said company, whether in the hands of the said assignees or elsewhere; that supœnas issue against all the said defendants, residents within this district, or the northern district of Ohio. And that the said other defendants residing out of the State of Ohio be served with process whenever they may come within the jurisdiction of the court.]* And the plaintiffs further pray that all the defendants who may be served with process do answer this bill; that the said trustees be decreed to account for their management of the affairs of said company, and to pay to and indemnify the plaintiffs and the other creditors of said company for all losses they have sustained by reason of the said default of the said trustees; [that said assignees be also decreed to account for the management of said trust, and for the losees sustained by their default; that the said assets be marshaled and distributed by this court among the creditors of this company with as little delay as may be necessary, according to equitable principles;]* that a preliminary or provisional injunction issue to prevent the said defendants, or any of them, from further action or interference with the assets of said company, and to deliver to the receiver or receivers that may be appointed by this court all the assets, books, accounts, papers and all other property belonging to said

* Stricken out, *vide* amended bill.

company; and that the plaintiffs have such further and other relief as their case may require, and to equity may belong.

HENRY STANBERY and N. C. McLEAN,
10 *Counsel for Complainants.*

On which said bill is the following endorsement, to wit:

I, Charles W. West acknowledge myself security for all costs for which the plaintiff may be liable in this suit.

C. W. WEST.

Oct. 18, 1858.

EXHIBIT A.

Assignment.

Exhibit A, hereinbefore referred to, and made part hereof, is in the words and figures following, to wit:

Resolution.

Whereas the board of trustees of this institution has, after full deliberation, and with the most anxious desire to do their whole duty to all parties interested, come to the conclusion it is necessary and proper for them to order an assignment to be made to Charles Stetson, John C. Wright, Samuel Fosdick, Samuel J. Broadwell, Geo. Crawford, Abraham M. Taylor, and Clement Dietrich, and to the survivors of them, and the survivors of such survivors, and his heirs, in due form of law, of all the real estate and personal property, debts, assets, effects, claims and demands of this institution, to wit: The Ohio Life Insurance and Trust Company, a body politic, incorporated by the general assembly of the State of Ohio, wheresoever the same may be situate; in trust, nevertheless, for the following uses and purposes only, to wit: to hold, possess, manage, control, collect, sell, and dispose of the same to the best advantage so as to cause them to produce the greatest amount of money, and without any unnecessary and unreasonable delay, and when, and as often as reduced to money sufficient to the purposes of this trust, to appropriate the same as follows, to wit: First, to pay the expenses and costs of this assignment and executing the trusts under the same; second, to pay off all the debts due and owing by, and all-
11 the other liabilities of this institution, to wit: The Ohio Life Insurance and Trust Company, as may be required by law; and third, the surplus, if any, after the said debts ane liabilities shall be paid in full, to restore and pay over to the said the Ohio Life Insurance and Trust Company, her successors or assigns, or otherwise distribute the same as may be lawful; and the said deed of assignment shall contain a clause authorising and empowering the said Charles Stetson, John C. Wright, Samuel Fosdick, Samuel J. Broadwell, George Crawford, Abraham M. Taylor, and Clement Dietrich, and the survivors of them, and the survivors of such survivor, and his heirs, to compound and compromise all debts and claims due to this company; and to compound and compromise all claims and demands against the said company, and to execute all releases, and other instruments of writing necessary and proper for the complete and perfect execction of the foregoing trusts, and to use the name of the said the Ohio Life Insurance and Trust Company as may be necessary and proper for the purposes aforesaid.

And whereas the said Charles Stetson, John C. Wright, Samuel Fosdick, Samuel J. Broadwell, George Crawford, Abraham M. Taylor, and Clement Dietrich have agreed to accept said trusts and conveyance in due form of law for the purposes aforesaid:

Therefore be it hereby resolved and ordered that Samuel Fosdick, president pro tem of the said the Ohio Life Insurance and Trust Company, during the temporary absence of Charles Stetson, president thereof, do execute to the said Charles Stetson, John C. Wright, Samuel Fosdick, Samuel J. Broadwell, George Crawford, Abraham M. Taylor, and Clement Dietrich a deed in due form, subscribing thereto the name of the
12 Ohio Life Insurance and Trust Company, by him as president pro tem, and affixing thereto her seal, and acknowledging the same before some competent authority, to be the proper act and deed of the said the Ohio Life Insurance and Trust Company, in pursuance of this resolution, a copy whereof he will cause to be attached to said deed, and deliver the same to the said trustees for the uses and purposes aforesaid, upon their executing a declaration accepting said trusts.

And it is hereby further ordered that the officers of the company prepare and furnish to the said trustees a schedule of the property, effects, claims and demands of the company, and also of the liabilities of the company, and that possession be delivered to said trustees upon the execution of the deed of trust hereby ordered; and further, that copies of said schedules be preservd among the files of the company.

I, George W. Rice, secretary of the Ohio Life Insurance and Trust Company, do dereby certify that the above is a true copy of a resolution of the board of trustees of the said the Ohio Life Insurance and Trust Company, passed the fifteenth day of September, in the year of our Lord one thousand eight hundred and fifty-seven, and entered upon the minutes of said company.

(Signed) G. W. RICE, *Sec'y.*

Know all men by these presents that the Ohio Life Insurance and Trust Company, in consideration of one dollar to said company paid by Charles Stetson, John C. Wright, Samuel Fosdick, Samuel J. Broadwell, George Crawford, Abraham M. Taylor, and Clement Deitrich, the receipt whereof is hereby acknowledged, and of the trusts hereinafter created and expressed, doth hereby transfer, set over and assign unto the said Charles Stetson, John C. Wright, Samuel Fosdick, Samuel J. Broadwell, George Crawford, Abraham M. Taylor, and Clement Deitrich and the survivor of them, and the survivor of such survivors, and his heirs,
13 all the real estate and personal property of whatever description, rights, credits, books, accounts, bills, drafts, checks, bonds, stocks, securities, of every name and nature, judgments, mortgages, and other evidences of debt, and choses in action, of every sort and kind, and wheresover situate belonging to the said the Ohio Life Insurance and Trust Company, or in and to which the said the Ohio Life Insurance and Trust Company have any interest, title, claim, or demand whatever. To have and to hold the same to the said Charles Stetson, John C. Wright, Samuel Fosdick, Samuel J. Broadwell, George Crawford, Abraham M. Taylor, and Clement Dietrich, and to the survivors of them, and survivor of such survivors and his heirs forever; in trust, nevertheless, for the following uses and purposes only, to wit: to hold, possess, manage, control, collect, sell, and dispose of the same to the best advantage, so as to cause them to produce the greatest amount of money, and without unnecessary and unreasonable delay; and when and as often as reduced to money, sufficient for the purposes of this trust, to appropriate the same as follows, to wit: First, to pay the expenses and costs of this assignment, and of executing the trusts under the same; second, to pay off all the debts due and owing by, and all the other liabilities of this institution, to wit: the said the Ohio Life Insurance and

Trust Company, as may be required by law; and third, the surplus, if any, after the said debts and liabilities shall be paid in full, to restore and pay over to the said the Ohio Life Insurance and Trust Company, their successors or assigns, or otherwise distribute the same as may be lawful. And the said the Ohio Life Insurance and Trust Company doth hereby authorize and empower the said Charles Stetson, John C. Wright, Samuel
14 Fosdick, Samuel J. Broadwell, George Crawford, Abraham M. Taylor, and Clement Dietrich, and the survivors of them, and successor of such survivors and his heirs, to compound and compromise all debts and claims due to the said company, and to compound and compromise all claims and demands against the said company, and to execute all releases and other instruments of writing necessary and proper for the complete and perfect execution of the foregoing trusts, and to use the name of the said Ohio Life Insurance and Trust Company as may be necessary and proper for the purposes aforesaid.

In witness whereof, and in pursuance of a resolution of the board of trustees of the said the Ohio Life Insurance and Trust Company, a copy whereof is hereto attached, the said the Ohio Life Insurance and Trust Company by Samuel Fosdick, president *pro tem* of said company, has caused her name to be hereto subscribed and her seal to be hereto affixed, this the twenty-sixth day of September, in the year of our Lord one thousand eight hundred and fifty-seven.

The Ohio Life Insurance and Trust Company, by—

[SEAL] (Signed) SAMUEL FOSDICK, *President pro tem.*

Signed, sealed, acknowledged in the presence of—

STANLEY MATHEWS.

GEO. W. RICE.

THE STATE OF OHIO, *Hamilton County, ss:*

Be it remembered, that on this the twenty-sixth day of September, in the year of our Lord one thousand eight hundred and fifty-seven, before me, the subscriber, a notary public within and for said county of Hamilton, came the Ohio Life Insurance and Trust Company, the grantor in the foregoing deed of conveyance named, by Samuel Fosdick, president pro tem. of the said the Ohio Insurance and Trust Company, (to me, the said Samuel Fosdick,
15 being personally known as the person he represents himself to be,) in pursuance of the authority in him vested by the board of trustees of the said the Ohio Life Insurance and Trust Company, by a resolution, of which a copy is attached to said deed of conveyance, and acknowledged the signing and sealing of the foregoing deed to be the act and deed of the said the Ohio Life Insurance and Trust Company, for the uses and purposes therein mentioned.

In testimony whereof, I have hereunto subscribed my name and affixed my notarial seal, at Cincinnati, on the day and year last above written.

JACOB BURNET,

[SEAL.] *Notary Public, Hamilton County, Ohio.*

Know all men by these presents that we, the subscribers, for ourselves severally, and for our several heirs, do hereby accept and agree faithfully to execute the trusts in the above and foregoing deed named and conferred, and in all respects to conform to the provisions thereof under the law, as we may be advised by counsel or otherwise may be lawful.

In witness whereof, we have hereunto subscribed our names and affixed

our seals this the twenty-sixth day of September, in the year of our Lord one thousand eight hundred and fifty-seven.

(Signed) [SEAL.]
" [SEAL.]
" J. C. WRIGHT. [SEAL.]
" SAMUEL FOSDICK. [SEAL.]
" S. J. BROADWELL. [SEAL.]
" GEORGE CRAWFORD. [SEAL.]
" [SEAL.]
" CLEMENTS DIETRICH. [SEAL.]

Whereupon the following subpœnas were issued out of the clerk's office of said court, which subpœnas were in the words and figures following to, wit:

UNITED STATES OF AMERICA,
Southern district of Ohio, ss:

The President of the United States of America to the marshal of the southern district of Ohio, greeting:

You are hereby commanded to summon the Ohio Life Insurance and Trust Company, a corporation of the State of Ohio, having its principal
16 office of business in the southern district of Ohio, citizen of, and resident in, the State of Ohio, if it be found in your district, to be and appear in the circuit court of the United States for the southern district of Ohio aforesaid, at Cincinnati, on the first Monday in December next, to answer a certain bill in chancery filed and exhibited in said court against it and others by James C. C. Bell, Robert Grant, and James Martin Bell, all aliens, subjects and citizens of the kingdom of Great Britain, residents in the city of London, England, and partners under the firm of Bell & Grant. Hereof it is not to fail under the penalty of the law thence ensuing. And have you then and there this writ.

Witness the Honorable Roger B. Taney, chief justice of the United States, this 16th day of October, A. D. 1858, and in the eighty-third year
[SEAL] of the independence of the United States of America.

Attest: WM. MINER, *Clerk.*

Memorandum.—The said defendant is required to enter its appearance in this suit in the clerk's office of said court, on or before the first Monday of December, 1858; otherwise, the said bill may be taken pro confesso.

WM. MINER, *Clerk.*

UNITED STATES OF AMERICA, *Southern District of Ohio, ss:*

The President of the United States of America to the marshal of the southern district of Ohio, greeting:

You are hereby commanded to summon Charles Stetson, Abraham M. Taylor, John C. Wright, George Crawford, and Nathaniel Wright, citizens of and residents in the State of Ohio, if they be found in your district, to be and appear in the circuit court of the United States for the southern district of Ohio aforesaid, at Cincinnati, on the first Monday in December next, to answer a certain bill in chancery, filed and exhibited in said court against them by James C. C. Bell, Robert Grant, and James Martin Bell, all
17 aliens, subjects and citizens of the kingdom of Great Britain, residents in the city of London, England, and partners under the firm of Bell & Grant. Hereof they are not to fail under the penalty of the law thence ensuing; and have you then and there this writ.

Witness the Honorable Roger B. Taney, chief justice of the United States this 16th day of October, A. D. 1858, and in the eighty-third year
[SEAL.] of the independence of the United States of America.
Attest: WM. MINER, *Clerk.*

Memorandum.—The said defendants are required to enter their appearance in this suit in the clerk's office of said court, on or before the first Mon. day of Decem.ber, 1858; otherwise, the said bill may be taken pro confesso
WM. MINER, *Clerk.*

UNITED STATES OF AMERICA, *Southern District of Ohio, ss:*

The President of the United States of America to the marshal of the southern district of Ohio, greeting:

You are hereby commanded to summon George Luckey, Clement Dietrich, Samuel Forrer, and Samuel J. Broadwell, citizens of and residents in the State of Ohio, if they be found in your district, to be and appear in the circuit court of the United States for the southern district of Ohio aforesaid, at Cincinnati, on the first Monday in December next, to answer a certain bill in chancery, filed and exhibited in said court against them by James C. C. Bell, Robert Grant, and James Martin Bell, all aliens, subjects and citizens of the kingdom of Great Britain, residents in the city of London, England, and partners under the firm of Bell & Grant. Hereof they are not to fail under the penalty of the law thence ensuing; and have you then and there this writ.

Witness the Honorable Roger B. Taney, chief justice of the
18 [SEAL.] United States, this 16th day of October, A. D. 1858, and in the 83d year of the independence of the United States of America.
Attest: WM. MINER, *Clerk.*

Memorandum.—The said defendants are required to enter their appearance in this suit in the clerk's office of said court, on or before the first Monday of December, 1858; otherwise, the said bill may be taken pro confesso.
WM. MINER, *Clerk.*

UNITED STATES OF AMERICA, *Southern District of Ohio, ss:*

The President of the United States of America to the marshal of the southern district of Ohio, greeting:

You are hereby commanded to summon Samuel B. Keys, George T. Stedman, Charles G. Enyart, Samuel C. Parkhurst, and Samuel Fosdick, citizens of and residents in the State of Ohio, if they be found in your district, to be and appear in the circuit court of the United States for the southern district of Ohio aforesaid, at Cincinnati, on the first Monday in December next, to answer a certain bill in chancery, filed and exhibited in said court against them by James C. C. Bell, Robert Grant, and James Martin Bell, all aliens, subjects and citizens of the kingdom of Great Britain, residents in the city of London, England, and partners under the firm of Bell & Grant. Hereof they are not to fail under the penalty of the law thence ensuing; and have you then and there this writ.

Witness the Honorable Roger B. Taney, chief justice of the United States, this 16th day of October, A. D. 1858, and in the 83rd year of the
[SEAL.] independence of the United States of America.
Attest: WM. MINER, *Clerk.*

Memorandum.—The said defendants are required to enter their appearance in this suit in the clerk's office of said court, on or before the first Monday of December, 1858; otherwise, the said bill may be taken pro confesso.

WM. MINER, *Clerk.*

UNITED STATES OF AMERICA, *Southern District of Ohio, ss:*

The President of the United States of America to the marshal of the
19 southern district of Ohio, greeting:

You are hereby commanded to summon Robert Bayard and George S. Coe, citizens of and residents in the State of , if they be found in your district, to be and appear in the circuit court of the United States for the southern district of Ohio aforesaid, at Cincinnati, on the first Monday in December next, to answer a certain bill in chancery filed and exhibited in said court against them by James C. C. Bell, Robert Grant, and James Martin Bell, all aliens, subjects and citizens of the kingdom of Great Britain, residents in the city of London, England, and partners under the firm of Bell & Grant. Hereof they are not to fail under penalty of the law thence ensuing; and have you then and there this writ.

Witness the Honorable Roger B. Taney, chief justice of the United States, this 16th day of October, A. D. 1858, and in the 83rd year of the
[SEAL.] independence of the United States of America.

Attest: WM. MINER, *Clerk.*

Memorandum.—The defendants are required to enter their appearance in this suit in the clerk's office of said court, on or before the first Monday of December, 1858; otherwise, the bill may be taken pro confesso.

WM. MINER, *Clerk.*

UNITED STATES OF AMERICA, *Southern District of Ohio, ss:*

The President of the United States to the marshal of the southern district of Ohio, greeting:

You are hereby commanded to summon Samuel E. Foote and J. B. Hosmer, citizens of and residents in the State of , if they be found in your district, to be and appear in the circuit court of the United States for the southern district of Ohio aforesaid, at Cincinnati, on the first Monday in December next, to answer a certain bill in chancery filed and exhibited in said court against them by James C. C. Bell, Robert Grant, and
20 James Martin Bell, all aliens, subjects and citizens of the kingdom of Great Britain, residents in the city of London, England, and partners under the firm of Bell & Grant. Hereof they are not to fail under the penalty of the law thence ensuing; and have you then and there this writ.

Witness the Honorable Roger B. Taney, chief justice of the United States, this 16th of October, A. D. 1858, and in the eighty-third year of the
[SEAL.] independence of the United States of America.

Attest: WM. MINER, *Clerk.*

Memorandum.—The said defendants are required to enter their appearance in this suit in the clerk's office of said court on or before the first Monday of December, 1858; otherwise the said bill may be taken pro confesso.

WM. MINER, *Clerk.*

And afterwards, to wit, on the eighteenth day of October, in the year of our Lord one thousand eight hundred and fifty-eight, the following entry was made at chambers, which entry is in the words and figures, to wit:

Entry.

BELL & GRANT
against
THE OHIO LIFE INSURANCE AND TRUST COMPANY and others.

On motion of the plaintiff, the court do order that an injunction issue to the said trustees and said assignees, ordering and directing them to stay further proceedings with respect to the assets of said corporation, and to hold the same subject to the further order of this court; and the application for a receiver is continued until next Saturday.

Monday, October 18, 1858.

(Signed) JOHN McLEAN,
Justice Supreme Court United States, Seventh Circuit.
H. H. LEAVITT,
Dist. Judge, United States, Southern district of Ohio.

And thereupon an order of injunction issued out of the clerk's office of said court, in the words and figures following, to wit:

Order of injunct.

United States circuit court, southern district of Ohio.

BELL & GRANT
against
THE OHIO LIFE INSURANCE AND TRUST COMPANY *et al.* } In chancery.

On motion of the plaintiffs, the court do order that an injunction
21 issue to the said trustees and said assignees, ordering and directing them to stay further proceedings with respect to the assets of said corporation, and to hold the same subject to the further order of this court; and the application for a receiver is continued until next Saturday.

Monday, Oct. 18, 1858.

UNITED STATES OF AMERICA,
Southern district of Ohio:

I, William Miner, clerk of the United States circuit court, seventh circuit and southern district of Ohio, hereby certify the foregoing a true copy of an order made at chambers in the above case, as the same remains of record in this office.

In testimony whereof, I have hereunto set my hand and affixed the seal of said court this 18th day of October, A. D. 1858.

[SEAL.] WM. MINER, *Clerk.*

And afterwards, on the 19th day of October, in the year last aforesaid, came the marshal, and returned said order into the clerk's office, with his proceedings endorsed therein, in the words and figures following, to wit:

Mar.'s ret'n.

Received this order, Monday, October 18th, 1858; and Monday, Oct. 18, 1858, I served Samuel Fosdick, Samuel J. Broadwell, George Crawford, Charles Stetson, John C. Wright, and Abraham M. Taylor, assignees of the Ohio Life Insurance and Trust Company, personally, by reading the within order to each one of them; and on the 19th day of October, 1858, I served Clement Dietrich, assignee of the Ohio Life Insurance and Trust Company, personally, by reading the within order to him.

LEWIS W. SIFFORD, *U. S. Marshal,*
By WM. L. MANSON, *Deputy.*

And afterwards, to wit, at the October term of said court, on the twenty-third day of October, in the year last aforesaid, an entry was made, in the words and figures following, to wit:

Entry.

This day this cause came on to be heard upon the motion of the appointment of a receiver; and the hearing of said motion not being com-
22 pleted, the court continued the same until Monday morning next, at half past nine o'clock.

And afterwards, to wit, on the twenty fifth of October, at the term and in the year last aforesaid, an entry was made as follows, to wit: This day this cause came on again to be heard upon the motion for the appointment of a receiver; and the hearing not being completed, the court continued the same until to-morrow morning, at half past nine o'clock.

And afterwards, to wit, on the 26th day of October, at the term and in the year last aforesaid, the following entry was made: This cause came on again to be heard upon the motion for the appointment of a receiver; and the hearing being completed, and the court not being advised what opinion to deliver, take this case under advisement.

Receiver app'l'd.

And afterwards, to wit, on the twenty-eighth day of October, at the term and in the year last aforesaid, an entry was made, in the words and figures following, to wit: On motion of the plaintiffs, notice thereof being duly served upon the defendants, it is made to appear to the court, and the court do find, that it is necessary and essential for the protection of the rights of all parties herein that a receiver be appointed to take the possession of all and singular the assets of the defendant, the Ohio Life Insurance and Trust Company, subject to the further order of this court. It is therefore by the court here ordered that James P. Kilbreth be, and he is hereby, appointed receiver in this cause, with full power to take possession of all and singular the property of said defendant, the Ohio Life Insurance and Trust Company, both real and personal, by whatsoever name the same may be known and designated, and wheresoever situated, including all moneys, rights, choses in action and evidence of debt, all books, papers, and accounts, and all assets, both real and personal of every name and nature belonging to
23 said company, and the same to hold subject to the further order of this court. And the defendants, the Ohio Life Insurance and Trust Company, its officers, trustees and assignees, agents, servants, and all other persons, are hereby ordered to deliver to the said James P. Kilbreth, receiver, the possession of all said assets; said receiver, before entering upon the discharge of his duties, shall give a bond in the sum of one hundred thousand dollars to James C. C. Bell, Robert Grant, and James Martin Bell, conditioned for the faithful discharge of his duties as such receiver; said bond to be, with sufficient sureties, to be approved of by the court or the clerk thereof. It is further ordered that, before entering upon his office, said receiver shall take an oath to faithfully beform his duties as a receiver in this case.

Rec'r's bond.

And afterwards, to wit, on the twenty-ninth day of October, at the term and in the year last aforesaid, an entry was made as follows, to wit: And now comes the said James P. Kilbreth, and, according to the order hereto-

fore made in this case, accepts the appointment as receiver in this case; and thereupon an oath was administered to him, to well and truly and faithfully discharge his duties as receiver aforesaid, to the best of his skill and understanding, in conformity with the order heretofore made in this case, and such other orders as shall be made herein at any time during his continuance as said receiver. And the said James P. Kilbreth thereupon presented to the court his bond in the penal sum of one hundred thousand dollars, conditioned according to said order, with sureties deemed good and sufficient, which bond is approved and ordered to be filed.

And afterwards came the marshal, to whom said first subpœna was directed, and returned said writ into the clerk's office of said court, with his proceedings endorsed thereon, in the words and ——

24 *Marshal's returns.*

Received this writ October 16th, 1858; and October 16th, 1858, I served the Ohio Life Insurance and Trust Company, by delivering to Charles Stetson, president of said company, a true and certified copy of this writ, personally, at his residence, in Cincinnati, Ohio.

LEWIS W. SIFFORD, *U. S. Marshal,*
By W. L. MANSON, *Deputy.*

And afterwards came the marshal of said district, and returned said second writ of subpœna into the clerk's office of said court, with the proceedings endorsed therein, in the words and figures following, to wit:

Received this writ October 16, 1858; and October 16, 1858, I served Charles Stetson, Abraham M. Taylor, John C. Wright, and Nathaniel Wright, by delivering to each one of them, personally, true and certified copies of this writ; and on the eighteenth day of October, 1858, I served George Crawford, personally, by delivering to him a true and certified copy of this writ.

LEWIS W. SIFFORD, *U. S. Marshal,*
By W. L. MANSON, *Deputy.*

And afterwards came the marshal, and returned said third writ of subpœna into the clerk's office of said court, with his proceedings endorsed thereon as follows, to wit:

Received this writ October 16, 1858; and October 16, 1858, I served Samuel J. Broadwell by leaving a true and certified copy of this writ at his residence, with his mother; and on the 19th day of October, 1858, I served Clement Dietrich, by delivering to him, personally, a true and certified copy of this writ; and on the 29th day of October, 1858, I served George Luckey, by leaving a true and certified copy of this writ, at his residence, with his wife.

LEWIS W. SIFFORD.

October 23rd, 1858.

I served Samuel Forrer, in person, by delivering to him a true and certified copy of this writ.

LEWIS W. SIFFORD, *U. S. Marshal,*
By J. M. GRADER, *Deputy.*

And afterwards came the marshal, and returned said fourth writ of subpœna into the clerk's office of said court, with his proceedings
25 endorsed thereon, in the words and figures following, to wit:

I received this writ October 16th, 1858, and October 18, 1858, I served Samuel C. Parkhurst, by delivering to him personally a true and certified

copy of this writ; and on the 18th day of October, 1858, I served Samuel Fosdick, by delivering to him personally a true and certified copy of this writ; and on the 19th day of October, 1858, I served Samuel B. Keys, by delivering to him personally a true and certified copy of this writ; and on the 25th day of October, 1858, I served George T. Stedman, by delivering to him personally a true and certified copy of this writ; and on the 29th day of October, 1858, I served Charles G. Enyart, by delivering to him personally a true and certified copy of this writ.

LEWIS W. SIFFORD, *U. S. Marshal*,
By W. L. MANSON, *Deputy*.

And afterwards, but on the same day, to wit, the 29th day of October, and at the term and in the year last aforesaid, came James P. Kilbreth, the receiver hereinbefore appointed, and filed in the clerk's office of said court his certain bond as receiver, which is in the words and figures following, to wit:

Bond.

Know all men by these presents that we, James P Kilbreth, Harvey De Camp, J. W. Gosling, G. Brashears, M. Brooks, and E. S. Haines, do acknowledge ourselves to owe and be indebted to James C. C. Bell, Robert Grant, and James Martin Bell, in the penal sum of one hundred thousand dollars, to the payment whereof, well and truly to be made, we do hereby jointly and severally bind ourselves, our heirs, executors, and administrators.

The condition of this bond is as follows: that whereas the said James P. Hilbreth, has this day been appointed by the circuit court of the United States for the seventh circuit and southern district of Ohio, receiver in the case of James C. C. Bell *et al.* against the Ohio Life Insurance and Trust Company *et al.*, being a case in chancery pending in said court: Now if the said James P. Hilbreth shall truly and faithfully perform the duties of receiver
26 aforesaid, and duly and faithfully pay over all moneys which shall come to his hands as such receiver, according to the order and direction of said court, then the above obligation shall become void; otherwise, to remain in full force and virtue.

In testimony whereof, we have hereunto set our hands and seals this twenty-eighth day of October, anno Domini, 1858.

(Signed)

JAS. P. KILBRETH. [SEAL.]
HARVEY DE CAMP. [SEAL.]
J. N. GOSLING. [SEAL.]
G. BRASHEARS. [SEAL.]
M. BROOKS. [SEAL.]
E. S. HAINES. [SEAL.]

Signed, sealed, and delivered in presence of—
GEORGE W. FROST, as to Kilbreth, De Camp, Gosling, and Brashears.
JAMES CUMMINGS, as to Brooks and Haines.

UNITED STATES OF AMERICA,
Southern district of Ohio, ss:

I, James P. Kilbreth, do swear that I will well, and truly, and faithfully, discharge my duties as receiver aforesaid, according to the best of my skill and understanding, in conformity with the order made in the said case of James C. C. Bell *et al. vs.* the Ohio Life Insurance and Trust Company *et al.*, and such other orders as shall be made by said court in said case at any time during my continuance as said receiver.

(Signed) JAS. P. KILBRETH.

Sworn to and subscribed this 29th day of October, 1858, before me.
H. H. LEAVITT, *Judge, &c.*

And afterwards, to wit, on the twenty-first day of December, at the December term, in the year last aforesaid, an order was made in the words and figures following, to wit:

Entry.

On motion of the complainants by their solicitors, leave is given them generally to amend the bill filed in this cause, and on motion of the respondent Nathaniel Wright by his solicitors, the time for answer as to him is extended for sixty days.

And afterwards, to wit, on the 4th day of December, at the term of December in the year last aforesaid, that being the time at which said writ
27 was made returnable, came the marshal of said district and returned said fifth writ of subpœna into the clerk's office of said court, with his proceedings endorsed thereon in the words and figures following, to wit:

Marshal's return.

The within-named Robert Bayard and George S. Coe not found. December 4th, 1858.

LEWIS W. SIFFORD, *U. S. Marshal,*
By W. L. MANSON, *Deputy.*

And afterwards, but on the same day, and at the same term, and in the same year last aforesaid, came the marshal to whom said writ was in form aforesaid directed, and returned the same into the clerk's office of said court with his proceedings endorsed thereon in the words and figures following to wit:

The within-named Samuel E. Foote and J. B. Hosmer not found. December 4th, 1858.

LEWIS W. SIFFORD, *U. S. Marshal,*
By W. L. MANSON, *Deputy.*

And afterwards, to wit, on the 29th day of December, at the term and in the year last aforesaid, an entry was made in the words and figures following, to wit:

Leave to answer.

On motion to the court and by consent of parties, leave is given to all the defendants as to whom no leave has heretofore been granted, to answer by Monday the 17th day of January next.

And afterwards, to wit, on the fifteenth day of January, at the term of December, the year last aforesaid, in the year 1859, an entry was made in the words and figures following, to wit: In this case it being shown to the court that by consent of the creditors who instituted proceedings in the superior court of Cincinnati, and of the creditors represented in this court, an amicable adjustment has been had, in virtue of which the administration
28 of the assets of said company is to be transferred to two trustees, and the litigation in both said courts touching the administration of said assets is agreed to be discontinued, it is thereupon ordered that the said plaintiffs have leave to amend their said bill so as to waive so much thereof as calls for an account against said assigns, and seeks the appointof a receiver, and the administration of said assets by this court. And it is

further ordered that there be allowed to said James P. Kilbreth the sum of three hundred and sixty-seven dollars and sixty-five cents in full of all costs, counsel fees, and expenses incident to his said office of receiver, and to the contest growing out of his appointment, touching his right to said assets under his said appointment, which sum, it is ordered be paid out of said assets, he, the said Kilbreth, waiving all claim to compensation for his personal services as receiver. And it is further ordered that said Kilbreth be discharged from the further performance of his duties as receiver. And it is further ordered, that all the proceedings instituted and still pending in this case, for alleged contempt and disobedience of the orders made in this case against any and all persons, be, and they are hereby dismissed.

And afterwards, to wit, on the nineteenth day of April, at the April term of said court in the year last aforesaid, the following entry was made:

Entry.

And now come the complainants, and upon leave being granted by the court file their amended and supplemental bill in this cause, and thereupon said complainants in accordance with the aforegoing entry filed their
29 amended and supplemental bill herein, which is in the words and figures following to wit:

Amended and supplemental bill.

Circuit court of the United States, southern district of Ohio.

JAMES C. C. BELL *et al.*
vs.
THE OHIO LIFE INSURANCE AND TRUST COMPANY *et al.*
} Amended and supplemental bill.

And now come the said plaintiffs, and by way of amendment and supplement to their said original bill do say:

First. That they do hereby strike out the names of said Robert Bayard, George S. Coe, J. B. Hosmer, and Samuel E. Foote, as parties defendant.

Second. In place of the allegations commencing at the mark on the page of said original bill, and ending at a similar mark on the page, the plaintiffs do make the following allegations: That said six assignees with the possession of said assets, took upon themselves the duties of said assignment, and continued to act as such assignees until about the close of January last, when the further administration of said assets and of the trusts under said assignment was by the decree of the superior court of Cincinnati, transferred to Charles Reemelin and James P. Kilbreth, who took on themselves the duties incident to said assignment, and received from said assignees the possession of said assets. Your orators state that no dividend has as yet been declared by said six original assignees, or by said Reemelin and Kilbreth out of said assets or the proceeds thereof; and your orators are informed and so allege, that after paying costs, expenses and charges the dividend payable to the creditors of said trust company will be very small, and will not probably exceed
30 one fourth of the amount of the debts. Your orators further state and claim that the said trustees ought to be held liable to respond personally to your orators and the other creditors for the large loss so sustained by their negligence and mismanagement, and ought to be decreed to be made good, and indemnify your orators and said other creditors from the damage and injury arising to them therefrom.

Third. In place of the matter on the page of said original bill com-

mencing at the mark and ending at a similar mark on same page, the plaintiffs do make the following amendment: Your orators pray for process of subpœna against the said defendants Charles Stetson, Abraham M. Taylor, John C. Wright, Samuel J. Broadwell, George Crawford, Nathaniel Wright, Samuel B. Keys, George T. Stedman, Charles G. Enyart, Samuel C. Parkhurst, Samuel Fosdick, George Luckey, Clement Dietrich, and Samuel Forrer, all of whom are citizens of Ohio, and residents of this district.

Fourth. And the plaintiffs do omit and strike out the prayer contained on the and pages of said original bill against said assignees for an account.

Fifth. And the plaintiffs do omit and strike out from said original bill all the matter commencing at the mark on the page of said orignal bill, and ending at a similar mark on the same page. And the plaintiffs pray, that this amendatory and supplemental matter be annexed to and made part of their said original bill.

(Signed) HENRY STANBERY,
N. C. McLEAN,
Solicitors for plaintiffs.

31 And afterwards, to wit, on the 21st day of June, at the June term in the year last aforesaid, an entry was made clothed in the words following, to wit:

Entry.

On motion leave is given the said defendants to answer herein in sixty days from this date, and this cause is continued.

And afterwards to wit, on the fifth day of July, at the term and in the year last aforesaid, an entry was made herein, which is in the words following to wit: Upon motion by counsel for plaintiffs, the counsel for defendants consenting thereto, it is hereby ordered by the court that either party may now proceed to take testimony in this cause according to the State or United States law in the same manner as if the answers had been regularly filed and the cause at issue.

And afterwards, to wit, on the ninth day of October, A. D. 1859, came the respondents and filed their joint and several answer herein, which said answer is in the words and figures following, to wit:

Answer.

United States circuit court, southern district of Ohio.

JAMES C. C. BELL, ROBERT GRANT and JAMES MARTIN BELL, partners under the firm of Bell & Grant, complainants,
against
THE OHIO LIFE INSURANCE AND TRUST COMPANY, CHARLES Stetson, Abraham M. Taylor, John C. Wright, Samuel J. Broadwell, George Crawford, Nathaniel Wright, Samuel B. Keys, George T. Stedman, Charles G. Enyart, Sylvester C. Parkhurst, Samuel Fosdick, George Luckey, Clement Dietrich, and Samuel Forrer, defendants.

The joint and several answer of Charles Stetson, Abraham M. Taylor, John C. Wright, Samuel J. Broadwell, George Crawford, Samuel B. Keys, George T. Stedman, Charles G. Enyart, Sylvester C. Parkhurst, Samuel Fosdick, George Luckey, Clement Dietrich, and Samuel Forrer, defend-

32 dants, to the bill of complaint of James C. C. Bell, Robert Grant, and James Martin Bell, complainants in the above-entitled cause.

First. The said Charles Stetson, Abraham M. Taylor, John C. Wright, Samuel J. Broadwell, George Crawford, Samuel B. Keys, George T. Stedman, Charles G. Enyart, Sylvester C. Parkhurst, Samuel Fosdick, George Luckey, Clement Dietrich, and Samuel Forrer, defendants above named, without waiving any exception to complainants' said bill by demurrer or otherwise, for answer thereto or to so much and such parts thereof as they are advised it is material for them or any of them to make answer unto, jointly and severally say that they severally are and have been trustees of, as well as stockholders in, the said the Ohio Life Insurance and Trust Company, as will appear from the books of said company; and they further jointly and severally say that during all the time they have been trustees of said company as aforesaid they have without compensation faithfully discharged their duties faithfully and severally as such trustees, and they jointly and severally deny that they have been jointly or severally negligent in the discharge of the duties imposed upon them as such trustees, as in said bill charged. On the contrary, they do jointly and severally say that in all things they have jointly and severally acted in good faith and with an honest purpose to discharge the obligations they had assumed as such trustees,

33 and all charges in the said bill to the contrary they say are untrue, and they deny the same

Second. These defendants, for further answer to said bill, jointly and severally say that they have been informed the said complainants, at the February term, 1858, of this court, obtained a judgment against the said the Ohio Life Insurance and Trust Company for about the sum of $259,293 50 damages, together with costs, and that the same remains unsatisfied of record, but is subject to a credit of about the sum of $22,493 42, as stated in said bill. But these defendants jointly and severally say that they have been informed and believe, and so charge, that the said judgment was obtained on certain claims of complainants against said company, at its agency in the city of New York, growing out of the transactions and dealings of the complainants with Edwin Ludlow, cashier of said company, who had charge of said agency, without the knowledge of these defendants, or any of them, and contrary to the instructions given for the management of said agency, and without the scope of the powers given to the said cashier in the administration of the affairs of said company at said agency. And these defendants also jointly and severally say that they have been informed and believe, and so charge, that the trustees of the said company in the city of New York had no knowledge of the said dealings and transactions of the said complainants with said cashier, or if they had any such knowledge these defendants were not jointly or severally or otherwise advised of it. These defendants, in

34 further answer to said bill, jointly and severally say they know nothing of the execution issued in said judgment, or the return thereon, as in said bill charged, and, if material, require proof.

Third. These defendants, in further answer to said bill, jointly and severally say that the said the Ohio Life Insurance and Trust Company suspended payment at its agency in New York on the 24th day of August, 1857, and on the next day, after due consultation and consideration, the board of trustees directed a suspension at Cincinnati. Afterwards, the said company made an assignment to the said Charles Stetson, John C. Wright, Samuel J. Broadwell, George Crawford, Abraham M. Taylor, Samuel Fosdick, and Clement Dietrich, who accepted the same, and of which a substantial copy is attached to said bill, marked Exhibit A, and made part thereof. These defendants, in further answer to said bill, jointly and severally say that at the time said assignment was ordered these defendants did not, jointly or sev-

erally, know or believe said company was insolvent and had not sufficient assets to pay its debts and liabilities; and said assignment was not ordered on that account, but on account of the difficulties, embarrassments, and impediments then thrown in the way of the trustees in the administration of the affairs of said company, as hereinafter more fully stated.

Fourth. These defendants, in further answer to said bill, jointly and severally say that the suspension of said company and its losses were not caused by the gross negligence of these defendants, or any of them, but, on the contrary, they arose from causes not foreseen by these defendants,
35 or any of them, and of which they have no knowledge, and in which they did not participate, and which they could not, under the circumstances, have prevented. And these defendants jointly and severally aver that they jointly and severally at all times acted in good faith in the administration of the affairs of said company; that they used due and proper care in the selection of its officers, after full and careful inquiry, and had no reason to question their fidelity and honesty, nor had they any reason to question the fidelity and honesty of each other, or their other co-trustees, and therefore in good faith confided in the integrity of said officers, as well as their co-trustees. And these defendants jointly and severally deny that they, or any of them, have been delinquent in the performance of any duty required of them in the administration of the affairs of said company. And they do jointly and severally specially deny that they failed to make, from time to time, the proper examinations into the condition of the said company, as required by its rules and by-laws. They do also jointly and severally specially deny that loans and advances were made to railroad companies or individuals, with their knowledge or participation, of large or any sums of money upon insufficient security or in modes or upon terms contrary to the charter, by-laws, and standing rules of said company. On the contrary, in all loans, discounts, and advances made in the purchase of notes or bills, these defendants jointly and severally acted in good faith, believing, in all cases, the security therefor ample, and intending, at all times, to
36 keep within the charter, by-laws, and rules of said company, and all charges in said bill otherwise are untrue. They do also jointly and severally specially deny that they ever declared dividends or caused them to be paid to the stockholders without the proper examinations into the condition of the said company; and they do jointly and severally aver that, in all cases, dividends were only declared after the proper examinations; and these defendants, and each of them, at all times, when participating therein, acted in good faith, honestly believing said dividends to be declared only from surplus profits, after leaving the capital whole and unimpaired and supported by a fair surplus over and above all reasonable contingencies, and all charges in said bill to the contrary are untrue. They do also jointly and severally specially deny that the said trustees failed to hold monthly or other meetings as required by the by-laws and charter of said company. Those of the defendants who were in the city of Cincinnati gave the affairs of the company much of their time and attention, almost daily, certainly as much as they could be expected to give, as they received no compensation for their services, having their own private affairs to take care of, and having placed the affairs of the company, as they believed and charge, in the hands of competent, able, and trustworthy men, save only one, namely, Edwin Ludlow, cashier at the agency in New York, in whom it seems they were greatly deceived, though he had long been in the employ of the company at its New York agency, familiar with its business and the
37 instructions given for its administration, and was well recommended, and had by his industry and attention and good reputation brought himself generally into power, as well as with the trustees and officers of the

company, and of whose delinquencies they had no knowledge nor information nor suspicion until after the suspension of the company, in August, 1857. And they also jointly and severally specially deny that they allowed, authorized, or suffered, knowingly, the said Edwin Ludlow, the cashier of said company, at its agency in the city of New York, as charged in said bill, to borrow money for the said company unlimited in amounts, and at such rates of interest, time, and other conditions as he might determine; or to pledge the notes, bills, stocks, or other choses of said company as collateral security for such loans, or to deal in stocks, or to buy and sell the same, on account of the company; or to buy or sell its stocks on its account, or to make discounts *or to make discounts* and loans of the company's moneys in unlimited amounts, or to transact the business of receiving deposits, purchasing and selling bills of exchange, loaning and borrowing, and transacting all other banking business, which said company was authorized to transact for its account without the intervention or supervision of said trustees; and they say all such charges in said bill are untrue. On the contrary, these defendants, jointly and severally, say the said agency, in the city of New York, was established and went into operation in the month of , 1838, under special written instructions within
38 the competency of the company, and not inconsistent with the laws of the State of New York; and that the State of Ohio, from time to time, to wit, from the day of , 1839, down to the 24th day of August, 1857, recognized and sanctioned said agency by various transactions therewith, in the transmission of funds and payment of interest on the State debt; in the sale and transfer of her stocks, and in using said agency as the depository of her moneys in New York, and otherwise, and all alterations, modifications, and changes made in the business of the company at its said agency, were under like written instructions made from time to time; and the said agency was placed under the supervision of the trustees of said company in the city of New York, who, as these defendants believe, understood the confidence reposed in them, and in the discharge of the duties assigned them acted in good faith and are in nowise complicated with the said Ludlow in violating his said instructions.

Fifth. These defendants, for further answers to said bill, jointly and severally say that they have no reason to believe the said Ludlow had disregarded his instructions or had acted in bad faith from the time of his appointment in the year 185 until a few days before the suspension of said company, at its agency, in New York, under his charge, when the Cincinnati office of said company received a letter from George S. Coe, trustee in the city of New York, advising it that the said New York agency was in trouble, and needed the presence of the president, Mr. Stetson, who immediately
39 repaired to the city of New York, and on the 24th day of August, 1857, upon his arrival, found the said agency in such a condition as to be compelled to close its doors, and to recommend the same thing to be done at the office in Cincinnati. In the month of April, 1857, the New York agency had been examined by two of the trustees, George S. Coe and Charles T. Stedman, and found in good condition, and they so reported to the Cincinnati office; and these defendants, as well they might, confided in their report, and they believe and charge they made said report in good faith. From that time on until about the 21st day of August, 1857, these defendants had no reason to suppose there was anything wrong in the said New York agency, and then, from the advices received from Mr. Coe, were led to believe there was only some temporary embarrassment, whereas, when the president, Mr. Stetson, arrived at said agency he found it in great confusion and so embarrassed that he could form no just opinion of its condition, and saw no alternative but to close its doors and to recommend the like course

at the office in Cincinnati. And the said Charles Stetson avers that he did not at that time know or suppose that the said the Ohio Life Insurance and Trust Company was insolvent, and that he did not so report it to the trustees in Cincinnati.

Sixth. These defendants, for further answer to said bill, jointly and severally say that the losses of said company have arisen from no negligence or want of care upon their part, but mainly from the mismanagement
40 of the said New York agency under the control of the said Ludlow, without the knowledge of the defendants, or their co-trustees, or any of them.

Seventh. These defendants, for further answer to said bill, jointly and severally say that it may be true, in the extensive and various transactions in which the said company was engaged, that its instructions given to the said New York agency, as well as its communications to others, were not always and in each particular letter as strictly guarded in its language as a formal contract, nor could it reasonably be so, as all such communications were written and ought to have been construed with reference to previously defined powers granted to their agent; and the defendants as business men had a right to suppose they would be so construed. They aver such communications, each and all of them, as far as they know or believe, were prepared and written with an honest purpose and a just regard to the limitations upon said agency, and a proper application of such communications they could not have been misunderstood, and it would be bad faith to use such instructions or communications for purposes without the known sphere of said agency under the authority given to it from time to time.

Eighth. These defendants, for further answer to said bill, jointly and severally say that the said trustees of said company did not fail, nor did they neglect, to exercise due control and supervision over said Ludlow at said agency, nor did they neglect to cause regular and proper exami-
41 nations to be made of his transactions and accounts, and it was not by reason of any such supposed failure or neglect the said Ludlow proceeded as he did until said suspension; on the contrary, every reasonable precaution was used to keep the said agency within its proper sphere. It was placed under the special charge of the trustees of said company in New York, some of whom were daily in said agency, and even transacted their business there; and it was from time to time examined by said trustees, and said cashier was required to consult with them and act under their advice within his instructions, and to make regular reports at short dates to the office at Cincinnati, which was generally done, and when omitted it was believed to be mere inadvertence, and not from design. In fact, all reasonable precautions had been taken to secure the faithful administration of said agency, but the said Ludlow, as respondents have since ascertained and believe, deceived the trustees in New York, and made false reports to the office in Cincinnati, of which these respondents did not become aware until after the suspension, and in this way the instructions provided for the protection of the company at said agency were successfully used by him to cover, for the time, his delinquencies and throw the defendants and the other trustees off their guard and lead them to believe the affairs of the company at said agency were in good condition and well adminis-
42 tered, while in truth the very reverse was the fact.

Ninth. These defendants, for further answer to said bill, jointly and severally say, it is true, as before stated, the said company suspended, at its agency in New York, on the 24th day of August, 1857, and on the next day, after due consultation and consideration, suspended at Cincinnati, and in directing such suspension the trustees ordering the same acted in good faith. These defendants, for further answer to said bill, jointly and

severally say, upon such suspension it became necessary and proper for the trustees in Cincinnati to take counsel and determine upon some line of action to be pursued by the company in its then condition. They did not believe the company insolvent, and hoped the agency in New York could be relieved. They knew it was the company's duty to pay its debts, and they were advised by counsel that the debtors of the company could pay their debts in claims they held or controlled against the company, and that no act of the trustees could impair that right of set-off; and thereupon the trustees in Cincinnati, not doubting the solvency of the company, did permit, in the first place, the debtors of the company to pay their debts in cash or by checks on the company. In this they maintain they acted lawfully and in good faith. By payments in this way, in a few days, the liabilities of the company in Cincinnati were considerably reduced, but in the mean time the trustees were much embarrassed by attachments and suits in New
43 York and other States, and especially by attachments and suits in Cincinnati, instituted and threatened; and by reason thereof it became necessary to make some arrangement with this class of claimants, and upon consultation it was deemed by the trustees at Cincinnati advisable to give such and other creditors in discharge of their demands the assets of the company, and thus reduce the liabilities of the company, withdraw its property from attachment, prevent further attachments, and narrow down the complicity of its affairs, and in this way the said trustees did, in good faith, and for an honest purpose, not believing the company insolvent, discharge a large amount of liabilities, until at last they were forced to direct the execution of the deed of assignment, as will be hereafter explained.

Tenth. These defendants, for further answer to said bill, jointly and severally say that the said trustees had no power to protect the assets of the company from offsets, suits, or attachments, nor hold the same for equal distribution, as in said bill charged, and they made no partial distribution, or other disposition, of said assets to the prejudice of any one intentionally. Such may have been the effect of the settlement made, but it was not so intended at the time, nor was it then believed such would be the effect. They acted in this, as in all things else, in good faith, believing the company's assets more than sufficient to pay its liabilities, and all charges in said bill to the contrary are untrue. These defendants, for further answer to said
44 bill, jointly and severally say that after the said suspension, and before the execution and delivery of the said deed of assignment, a general panic in this country, as well as in Europe, prevailed, many failures ensued, the strongest trembled, and the greatest alarm existed, not only as to this company, but as to banks and bankers generally. And by reason of this panic and alarm, as well as the confused and uncertain information in relation to the said New York agency, and the depreciation in property and credits from the above causes, the market value of claims against the company depreciated much below their par value, and during that time these defendants severally paid their liabilities to said company, as well as they might, by claims they held against it, as hereinafter severally stated. The trustees treated them in this respect as they did others, knowing no rule or law of morals that required them to be treated otherwise. These defendants, for further answer to said bill, jointly and severally deny that there was any system of favoritism as in said bill charged, adopted or allowed to the the trustees individually, or other favored creditors. The resolution directing said assignment was adopted on the 15th day of September, 1857, in consequence of the litigation then pressing upon the company, under the fear and apprehension that from it an assignment would be unavoidable, and its execution and delivery were kept off from day to day, with the hope a time might come in the company's affairs that would avoid it altogether.

45 This delay was also urged by those in New York sent on to aid the president in adjusting the affairs of the agency in that city, and which an assignment would entirely defeat. For these reasons the execution of the assignment was deferred, and not to allow the trustees and their friends time to adjust and pay off their debts as in said bill charged; and such charges these defendants deny, and say they are untrue. These defendants, for further answer to said bill, jointly and severally say, the said assignment was for these reasons postponed until the 26th day of September, 1857, when the trustees in Cincinnati had lost all hope of being able to keep the control of the remaining assets of the company, and winding up its affairs under the charter, and some of them doubted the company's ability to meet its liabilities from the great change in the value of its assets and the complexity of its affairs. Under these circumstances, and for the single purpose of preserving the remaining assets and placing the settlement of the company's affairs in proper hands, the said deed of assignment was ordered to be executed and delivered. The persons selected as assignees could only be induced to accept said assignment after much persuasion and earnest solicitation, and did it for the single purpose to make the most of the trusts for those to be benefited thereby. These defendants jointly and severally deny that the said board of trustees, as in said bill charged, selected and constituted the said Charles Stetson, John C. Wright, Samuel J. Broadwell, George Crawford, Abraham M. Taylor, Samuel Fosdick, and Clement Dietrich, said assignees, in order to keep a virtual control over said assets and prevent any inspection of the books, accounts, and proceedings of said trus-
46 tees by any person or persons outside of said board of trustees and the officers and employees of said company; on the contrary, said assignment was ordered and made in good faith to be executed for the sole purposes therein expressed. These defendants, for further answer to said bill, jointly and severally say that it is true that the said assignees, under and by the command of an order of the superior court of Cincinnati, transferred by deed to the said James P. Kilbreth and Charles Reemelin all the assets of the said company then in their hands, unadministered, as by said deed will appear, and the said James P. Kilbreth and Charles Reemelin are now in the administration of the said assets under the said deed of trust; that it is also true said assignees made no dividend under said assignment, nor have the said James P. Kilbreth and Charles Reemelin, to the knowledge of these defendants, made any dividend, nor do these defendants know what can ultimately be realized from said assets under the due administration of said trusts.

Eleventh. These defendants, for further answer to said bill, jointly and severally deny that they or any of them by the rules of equity are liable to the complainants or other creditors of the said company, in manner and form and for the matters charged in said bill. They also jointly and severally deny that they have been guilty of any negligence or misconduct as in said bill charged; and they also jointly and severally deny all frauds charged or imputed to them by said bill or otherwise, and say in all things they acted in good faith as trustees of the said company.

Twelfth. And the said Charles Stetson, for further answer to said bill, doth say that he became a trustee of said company in the year 18 , but took
47 no active part in its management until the year 18 , when he was chosen its president. Since then he has faithfully devoted himself to the duties of his office, according to the best of his ability and judgment. By the by-laws he had under his charge the supervision generally of the offices and affairs of the said company, and he maintains that he in good faith attended to all the duties that devolved upon him as the presiding officer of said company. This defendant participated in the appointment of

the said Ludlow as cashier, believing him competent, capable, and trustworthy; he had been for many years in the service of the company at its New York agency, was conversant with its business at said agency, and was well recommended. This defendant had no reason whatever to doubt his integrity or question his fidelity, until after the developments made since said suspension. This defendant confided in him as a faithful and competent officer, acting, as he supposed, under the directions of his associate trustees in the city of New York. This defendant attributes the suspension of the company to the mismanagement of the said agency, without his privity in any way. This defendant was not in Cincinnati when said deed of assignment was ordered, nor when it was executed; he was then in New York, attending to the affairs of the company at its said agency. This defendant, after said suspension, and before the execution of said assignment, paid his liabilities to said company. He was a stockholder in said company at the time of its failure. He accepted said assignment, and under it, and in all things connected with said company, he has acted in good faith according to the best of his judgment and ability.

Thirteenth. And the said John C. Wright, for further answer to said
48 bill, doth say that he became a trustee in said company in the year 18 ; and has since acted as such, according to the best of his ability and judgment. He has given to the said company and its affairs much of his time amd attention, without compensation, for the single purpose of its welfare. He has been a stockholder in it for many years, and was so at the time of its failure. His liabilities to said company he has paid since its failure, and before the delivery of said deed of assignment. He was one of said assignees, and as such and as trustee he has at all times acted in good faith, to the best of his ability and judgment.

Fourteenth. And the said Samuel J. Broadwell, for further answer to said bill, says he became a trustee in said company in the year 18 ; he was at the time a stockholder, and so continued until its suspension. He in good faith gave the affairs of the company much of his time and attention. He was indebted to the company when it suspended, and before the assignment discharged his indebtedness. He was one of said assignees, and as such and as trustee he acted at all times in good faith, to the best of his ability and judgment. As trustee he acted without compensation.

Fifteenth. And the said Abraham M. Taylor, for further answer to said bill, says he became a trustee in the year 18 , and has since in good faith attended to the duties that devolved upon him and as such trustee, to the best of his knowledge and ability, without compensation. He has been a stockholder ever since he has been trustee. He was one of said
49 assignees, and as such acted in good faith. He was not a debtor of the said company at the time of its failure, though it was the debtor, and still is, of his firm. He paid a small mortgage debt held by the company, upon some property he owned, by the check of his firm, and received the collaterals the company held. In all relations with said company he avers he has acted in good faith, according to the best of his judgment and ability.

Sixteenth. And the said George Crawford, for further answer to said bill, says he became a trustee in the year 18 ; he has since lived in the country, and has not attended generally to the affairs of the company, having entire confidence in his co-trustees, who attended thereto. He was a stockholder, and received no compensation as a trustee. He was a debtor to said company at the time of its failure, and paid the same before the delivery of said deed of assignment. He was one of said assignees, and in all his relations to said company he acted in good faith.

Seventeenth. And the said Samuel B. Keys, for further answer to said bill, says he was a stockholder in said company, and became one of its

trustees in the year 1855, and acted as such in good faith, to the best of his ability, without compensation, giving to the affairs of the company much of his time and attention. When said company suspended he was its debtor, and before said deed of assignment he paid his debt, as it was lawful for him to do, except a small balance, which is unadjusted as yet. He was in no way privy to the causes that led to the suspension of said company.

Eighteenth. And the said George T. Stedman, for further answer to
50 said bill, says that he became a trustee in said company in the year 18 , and acted as such in good faith without compensation. He was also a stockholder therein, and at the time of said suspension was a debtor to said company, and before said deed of assignment he paid said company what he owed it, as it was lawful and proper for him to do. He was not privy in any way to the causes that led to said suspension.

Nineteenth. And the said Charles G. Enyart, for further answer to said bill, says that he became a trustee in said company in the year 18 , and acted as such in good faith, without compensation. He was a stockholder in said company. Before said deed of assignment he paid said company all he owed it. He was not privy to the causes that produced said suspension.

Twentieth. And the said Sylvester C. Parkhurst, for further answer to said bill, says he became a trustee in said company in the year 184 , and acted as such trustee in good faith, without compensation. After said suspension and before said deed of assignment was executed, as well he might, he paid said company all he owed it. He was not privy to the causes that occasioned the suspension.

Twenty-first. And the said Samuel Fosdick, for further answer to said bill, says that he has been a stockholder and trustee of said company for many years, and as such trustee always acted in good faith to the best of his ability and judgment. He gave the affairs of the company much of his time and attention, without compensation. When said company suspended he was its debtor, and before the execution of said deed of assignment he paid his debts to said company, as well he might. He is aware of no mode of payment that was lawful to other debtors that was not lawful for
51 him, as he was in no way privy to the causes that induced the said suspension, and no action of his as trustee had any bearing upon his relations to the said company, as its debtor. He was one of said assignees, and as such acted in good faith, to the best of his knowledge and ability, as well as in all his other relations to said company.

Twenty-second. And the said George Luckey, for further answer to said bill, says that he has been a stockholder and trustee in said company from its organization, and as trustee he has always acted in good faith, and without compensation. While he resided in the city of Cincinnati he gave the company and its officers much of his time and attention, but since he has resided in the county, which has been since the year 1837, he has not been so attentive, but has, as well he might, confided in his co-trustees, who did attend to it. He has been on the finance committee of said company, and he has given the proper attention to the duties of that committee, especially in making the proper examination, at the Cincinnati office, into the condition and affairs of the said company, as required by its by-laws. He was a debtor to said company at the time of its suspension, and paid nearly all he owed it before the deed of assignment, as well he might, leaving only small balance of a stock loan, expected to be covered by collaterals. He was in no way privy to the causes that led to the suspension of said company, and deems himself in no way responsible therefor. In all his relations to said company he has acted in good faith, according to the best of his ability and judgment.

Twenty-third. And the said Clement Dietrich, for further answer to the said bill, says that since the year 18 he has been a stockholder and
52 trustee in said company, and as such trustee he has always acted in good faith and without compensation. He was a debtor in said company at the time of its suspension, and before the deed of assignment he paid his debt, as well he might. He also was of said assignees, and as such acted in good faith, as well as in all his other relations to said company, according to the best of his ability and judgment. And the said Samuel Forrer, for further answer to said bill, says that he has been a stockholder and trustee in said company from its organization without compensation. He has always resided in the country, at a distance from Cincinnati, and has been compelled to confide, as well he might, in his co-trustees. He has attended board meetings on extraordinary occasions, and given the affairs of the company such attention on these occasions as he could. He was in no way privy to the causes that led to the failure of the company, and is not responsible therefor. He was in debt to said company at the time of its suspension, and is still indebted, having paid nothing thereon. He has always acted in good faith as such trustee in the performance of the duties that devolved on him under the circumstances of his case.

These defendants having jointly and severally answered said bill, or so much and such parts thereof as they are advised it is material for them to answer, by way of caution deny all the allegations of said bill not herein specially answered unto, and having thus fully answered said bill, pray to be hence dismissed, with their reasonable costs, &c.

53 (Signed) CHARLES STETSON.
J. C. WRIGHT.
A. M. TAYLOR.
S. J. BROADWELL.
GEO. CRAWFORD.
SAM. B KEYS.
GEORGE T. STEDMAN.
CHARLES G. ENYART.
S. C. PARKHURST.
SAM'L FOSDICK.
G. LUCKEY.

WORTHINGTON & MATHEWS, *Solicitors.*

THE STATE OF NEW YORK,
County and city of New York, ss:

George T. Stedman, one of the above-named defendants, of lawful age, being sworn, says the matters set forth in the foregoing answer, by him subscribed, are true, to the best of his knowledge, information, and belief.

(Signed) GEORGE T. STEDMAN.

Sworn to and subscribed before me this the 31st day of August, 1859.

HENRY HILTON,
Judge of New York Court of Common Pleas, a court of record in the State of New York.

STATE OF OHIO, *Montgomery County, ss:*

Samuel Forrer, one of the above-named defendants, of lawful age, being sworn, says the matters set forth in the foregoing answer, by him subscribed, are true, to the best of his knowledge, information, and belief.

(Signed) SAM'L FORRER.

Sworn to and subscribed before me the 21st day of September, 1859.

LUTHER BRUEN, *Notary Public.* [SEAL]

THE STATE OF OHIO, *Southern district of Ohio, ss:*

A. M. Taylor, one of the above-named defendants, of lawful age, being affirmed, says the matters set forth in the foregoing answer, by him subscribed, are true, to the best of his knowledge, information, and belief.

(Signed) A. M. TAYLOR.

Affirmed to and subscribed before me, at Cincinnati, Ohio, this 27th day of September, A. D. 1859.

M. B. HAGANS, *U. S. Com'r S. D. of O.*

THE STATE OF OHIO, *Southern district of Ohio, ss:*

Samuel B. Keys, Charles G. Enyart, S. C. Parkhurst, Clement Dietrich, J. E. Wright, Samuel Fosdick, S. J. Broadwell, G. Luckey, G. Crawford, and Charles Stetson make oath, respectively, and say that the matters and things set forth in the foregoing answer, by them severally subscribed, are true, to the best of their knowledge, information, and belief.

54

(Signed) SAM'L B. KEYS.
CHARLES G. ENYART.
S. C. PARKHURST.
CLEMENT DIETRICH.
J. C. WRIGHT.
SAMUEL FOSDICK.
S. J. BROADWELL.
G. LUCKEY.
GEO. CRAWFORD.
CHARLES STETSON.

Sworn to and subscribed before me this 30th day of September, A. D. 1859.

M. B. HAGANS,
U. S. Commissioner for the Southern District of Ohio.

And afterwards, to wit, at the December term in the year last aforesaid, the following entry was made herein, in the words and figures following, to wit:

Leave to file replication.

On motion of the plaintiffs, leave is given them to file a replication to the joint answer of Charles Stetson and others, filed on the ninth day of October, 1859.

And thereupon came the complainants and filed their replication to said answer aforesaid, on the twenty-first day of December, at the term and in the year last aforesaid, which certain replication is in the words and figures following, to wit:

Replication.

JAMES C. C. BELL, &c.,
vs.
THE OHIO LIFE INSURANCE AND TRUST COMPANY *et al.*

And now come the said plaintiffs, by Stanbery & McLean, their solicitors, and for replication to the answer of the said defendants, Charles Stetson, Abraham M. Taylor, John C. Wright, Samuel J. Broadwell, George Crawford, Samuel B. Keys, George T. Stedman, Charles G. Enyart, Sylvester C. Parkhurst, Samuel Fosdick, George Luckey, Clement Dietrich, and

55

Samuel Forrer, say that the matters and things set forth in their said bill of complaint are true in substance and matter of fact, and that

the matters and things set forth in said answer contrary thereto are untrue; and this they are ready to make appear, as by this court shall be directed.

H. STANBERY & N. C. McLEAN,
Solicitors for Complainants.

And afterwards, to wit, on the 23d day of January, 1860, and at the term of December last aforesaid, this cause was continued until the next April term.

And afterwards, to wit, on the 27th day of February, at the February term of said court, in the year 1860, an entry was made in the words following, to wit:

On motion of Nathaniel Wright, defendant, by his attorney, the continuance heretofore entered in this cause is set aside, and the default for answer herein is also hereby set aside, and leave given said defendant to file his answer forthwith, and answer filed.

And thereupon came said defendant, by his attorney, and filed his certain answer herein, which said answer is in the words and figures following, to wit:

Answer of N. Wright.

The several answer of Nathaniel Wright, defendant, to the bill of complaint of James C. C. Bell, Robert Grant, and James Martin Bell, complainants, exhibited against the Ohio Life Insurance and Trust Company, this defendant, and others.

This defendant, saving all exceptions to the many untruths and uncertainties in the said bill of complaint contained, for answer thereto, or so much thereof as he is advised is material for him to make answer unto, he answers, and says that he has no knowledge in relation to the alleged judgment of the complainants and the proceedings thereon, but refers to
56 the record for the verity thereof.

This defendant is informed and believes that the said Ohio Life Insurance and Trust Company suspended payment on or about the 24th of August, 1857, being compelled so to do by the embarrassments and losses occasioned by the misconduct and frauds of their cashier in the city of New York; but this defendant has no personal knowledge of those matters, being absent at the time in the State of New Hampshire with his family, on a journey for health, from which he did not return till early in September. This defendant is informed and believes that an assignment was made as alleged in the bill, the object of which was a more economical and equitable distribution of the assets; but he has not personal knowledge of that fact, as he resigned his place as trustee on the 12th of September, 1857, as hereinafter mentioned. And this defendant, by way of explaining why he is unable to answer in detail and of personal knowledge many of the matters and allegations in the bill, further says that he had but little acquaintance in detail with the affairs of the company. Defendant was elected by the board in 1853 to fill a vacancy expiring September 30th, 1858, and accepted the office with hesitation. Several years previous, as was well known among his acquaintances, a deafness had come upon him, rendering him unable to understand conversation in ordinary tone among several persons around him, and which would disenable from hearing the discussions at the ordinary meetings of the board of trustees. Defendant had also some years previous, before retiring from the bar, had indications of some affection of the brain, which led him to
57 avoid perplexing and confining application. Some of the trustees, notwithstanding these objections, urged defendant's acceptance, sug-

gesting that matters frequently arose in which his counsel would be useful, thus being of important service to the company without being familiar with the details of its affairs. It was this view of the matter which induced defendant to accept. He knew that the board consisted of twenty members, of whom six was a quorum for ordinary business; that many of the trustees resided at a distance, took no part in the ordinary affairs of the company, and knew nothing about them, the charter itself contemplating such non-residence; that there were in the board more than a quorum who had long given their constant attention to the affairs of the company, and thus become familiar with all the details, most of whom had been repeatedly re-elected, some even from the first organization of the company, this indicating that their management and their general policy was approved by the stockholders. They were men of the highest reputation for integrity and for talents and experience as bankers and merchants, and had so managed this institution as to secure to it the highest reputation throughout the country. Under these circumstances defendant considered it not improper for him to accept the appointment, without expecting or feeling able to give much attention to the details of business, in which, at best, he was without experience, considering his advice on legal questions and other like mat-
58 ters the most useful service he could render. In this way defendant came into office, not conscious of any neglect of duty in the course he pursued. He attended the meetings of the board occasionally, at some periods frequently. He scarcely ever heard the conversation around the board, finding more difficulty in this respect than he had anticipated, and seldom knew what was done there (saving notes discounted, which passed under his eye,) unless a vote was formally put in such way as to call his attention to it, or in some other way his attention was specially arrested; ordinary statements, explanations, &c., he did not hear. He is no accountant, and was always unfortunately dull in understanding accounts, and therefore seldom if ever undertook to investigate them unless in some special case, with the assistance of an accountant. He examined occasionally, from time to time, the books and proceedings of the company, and always examined with care any matters on which his opinion was desired, or of which it seemed to him an examination would be useful to the company. The active trustees were especially devoted, earnest, and faithful in the discharge of their duties, as appeared to defendant, indicating great anxiety for prudent and judicious management of affairs, far more experienced and skilful in such matters than defendant; and feeling entire confidence in their good management, and never having met with anything in any of the officers or employees of the company to excite the least distrust, defendant remained thus in the board with but slight knowl-
59 edge of affairs, without being conscious of any neglect of duty, and is thus unable to answer in detail and of personal knowledge all the matters referred to in the bill. Defendant, on his return from New Hampshire, first attended a meeting of the board on the 4th of September, and several meetings from that time till the morning of the 12th of September when he resigned his office, sending in his resignation with the reasons for it, which was laid before the board that day and accepted or acquiesced in by them. This resignation, which may seem like deserting a post of difficulty, was the result of defendant's convictions of duty to the company as well as to himself. In ordinary cases where six was a quorum of the board he might properly sit by as an ignorant spectator, but now it was quite different; important questions were constantly arising requiring a majority of the whole board, all was anxiety and no time for delay. Defendant made an effort for a few days to act intelligibly, but it was in vain. In the agitation and hurry of so many pressing matters, the board meeting twice a

day and constantly occupied, each member had as much as he could do to inform himself without supplying defendant's want of hearing; and if he acted at all must act in the dark, which would be wrong. He might in the most important matter be the single one to constitute a quorum or occasion the decision of a question. He found that others did not appreciate his inability, and silence from mere ignorance might be construed as approval or even counted *or even counted* as a vote. To sit thus in the board would be grossly unjust both to the company and to himself. He also found that the intense anxiety attending such a calamity to this old and cherished institution and the perplexity of attempting to examine its affairs, was reviving symptoms of his old complaint. In resigning he tendered his services to the board in any matters in which he could be useful and has rendered them whenever requested. This defendant does not know or admit that the trust company was insolvent at the time of its failure so as to be unable to pay its creditors. He is informed and believes that large amounts of its assets were secretly pledged by its cashier in New York; that other large amounts have been seized or bound by attachment in different parts of the country, all subject to sacrifice by forced sales and with heavy expense; so that the actual result can only be ascertained by closing up the concern. But from the best information defendant was able to obtain, his belief was and still is that if the assets were managed with economy and skill, without sacrifice or concealment, the debts would be paid, if not something left to the stockholders. And this defendant denies that the losses of said company were occasioned by any negligence or want of care on the part of the trustees so far as he knows or believes; and on the contrary the trustees in Cincinnati, and all with whom he was conversant, including himself, were attentive and faithful in the respective duties devolving upon them, so far as he had the means of knowing and in all things as he verily believes.

And this defendant denies, so far as he knows or belives, that said trustees failed to make the examinations required by the by-laws and rules of the company, or that they made loans or advances to railroad companies or individuals on insufficient securities, or on terms contrary to the charter, by-laws, or rules of the company, or that they made dividends to stockholders without proper examination, or after the capital was greatly impaired by losses, or that they failed to hold monthly meetings according to the eighth section of the by-laws; but, on the contrary, altho' this defendant was personally acquainted with very few of the loans and investments of the company, yet he believes from conversation with others, from accounts and statements laid before the board from time to time, and from the records of proceedings, as well as from what was personally known to him, that in all these particulars they discharged their duties faithfully and according to law. This defendant himself never made any general examination of the accounts and affairs of the company, that particular duty never having been assigned to him so far as he can recollect; nor was he a suitable person for such duty for want of practical skill in accounts, but from statements and abstracts and verbal explanations he had knowledge of the general results of such examinations. The accounts show considerable investments in railroad securities, most of them in Cincinnati, originally made, as he believes, before he became a member of the board. But to judge of them it is necessary to keep in mind that at that period such securities were regarded by moneyed men throughout the country with peculiar favor for safety as well as profit, and were in fact the most readily convertible into cash, a very large amount of capital and financial influence, both in this country and Europe, being united to favor them. The provisions of the charter in relation to corporate securities had led from the first, as he under-

stood, and seemed to require investments in such securities more than was common with other banks. This defendant was not present when the dividend was declared in July, 1857, being absent from the city, as he believes; but he understood afterwards, from conversation with the other trustees and from abstracts showing the state of the company's affairs, that the same had been fully examined, and the profits of which the dividend was declared were actually made with a considerable surplus. This defendant denies, so far as he knows or believes, that said trustees allowed said Edwin E. Ludlow to borrow money for the company to an unlimited amount, and at such rates of interest and on such terms as he might determine, or to pledge securities therefor, or to deal in stocks, buying and selling the same on behalf of the company, or to buy or sell the stock of the company for its account, or to make discounts and loans to unlimited amounts, or to transact the
63 business of receiving deposits, purchasing and selling bills of exchange, loaning and borrowing money, and transacting all other banking business which said company was authorized to transact, without the intervention or suspension of said trustees. On the contary, this defendant always understood and believes that said trustees always exercised a constant supervision and control over all the doings of said Ludlow; that a committee of their number resident in New York were in daily attendance at his office, who had authority to control him in all things, and whose sanction was required to all his important transactions. It appears from the records of the trustees that specific and rigid rules were adopted from the first, and continued to all the successive cashiers, directing their conduct, and specifying their duty. And defendant knows of no authority from them for departing from such rules. Defendant always supposed that the trust company was chartered, among other things, for the purpose of supplying the west with exchange on the east and other points, at moderate rates, that line of business being indicated by the charter. In carrying on this business the first plan appears to have been to make deposits with banks in New York as a basis of exchange, but the business becoming large, the peril of so large deposits with foreign institutions, over which they had no control, into whose affairs they had no right to examine, and of whose standing their information must be very imperfect, became apparent, and therefore it appears the trustees determined to locate their own cashier in New York to
64 transact their business at that financial centre, deeming this the safest course. Defendant understood and believes that they established strict rules regulating the business there, and confining it to what they supposed to be strictly legitimate, and adopted every precaution which prudent men could devise to guard against mismanagement or loss; and that the trustees from time to time, and at all times from the commencement of that agency to the failure, superintended and managed it faithfully and to the best of their skill and ability. He is informed and believes that the mode of doing business there, the business transacted there, and the general management of the agency, so far as known to the trustees or authorized by them, has continued substantially the same for some eighteen years, ever since its establishment, under all the able men who have officiated as trustees, approved by the stockholders and the public, and especially and repeatedly judicially sanctioned by the supreme court of Ohio in proceedings under the charter, where any man would have been heard to complain. Defendant therefore saw no occasion to look with distrust on the management of the agency. In conducting so large an exchange business for so long a time there must of course be various forms of securities taken for suspended debt or the like, so that the accounts must show different forms than those of simple exchange. But this defendant does not know or believe that said Ludlow, with the assent or knowledge of the trustees, transacted

any business on behalf of said company which was not lawful under
65 the charter, rules, and by-laws; nor had this defendant any suspicion that he so did.

This defendant further says that he understood and believes that a large majority of the stockholders resided or were represented in the city of New York, and controlled the elections of trustees; that many of them were men of wealth and large business experience, and took much and continned interest in the affairs of the company, generally holding the stock for investment, and that three or more of the trustees selected by them, constantly residing in New York City, gave constant attention to the affairs of the company there in connection with the cashier. This circumstance gave to the defendant, and he doubts not to all the trustees, a feeling of confidence and security in relation to the affairs in New York, and the idea of danger from misconduct of the cashier never entered the mind of defendant till he heard of the failure. He understood and believes that the usual examination of the accounts of the cashier were made, both by the trustees in New York and by the president and committees from Cincinnati, but does not suppose they could have been made with any suspicions of the integrity of the cashier; but he denies that there was any negligence or want of care in relation thereto, so far as he knows or believes. This defendant had no personal acquaintance with said Ludlow, and was not present at his election as cashier, but he understood and believes that he was generally and strongly recommended to the office by the trustees and stockholders in New
66 York; that he had been for some 16 years employed in the office of the cashier there, commencing as a clerk while quite young, and trained up in the office, and therefore entirely familiar with its affairs, and that he was reputed a man of great business talents and of undoubted integrity, and unti' after the failure of the institution this defendant never knew or heard anything to excite the least suspicion against him, although since the failure individuals have spoken of him and his doings in a way which would have excited suspicion if it had been previously stated to the trustees. But such things could hardly have been openly stated in New York without becoming known to some who were interested in the trust company and its safety. And defendant believes that none of the trustees in Cincinnati knew of anything to excite suspicion against him, and so were not led to that kind of scrutiny of his affairs which suspicion would occasion. And this defendant does not admit or believe that any of the losses were occasioned by want of reasonable care in controlling said Ludlow, or in examining his accounts or affairs.

Defendant is informed and believes that investigations made since the failure show that said Ludlow's books were entirely unreliable and false, for a short time at least before the failure, so kept as to appear all right on inspection, furnishing no clue to detect the falsity, but not showing at all the true state of accounts; that in many cases he made no entry at all with funds or bills with which he was chargeable; that he made numerous
67 and heavy charges against persons not at all indebted; that his balances of account were often entirely incorrect, that of the present plainants, for example, differing nearly half a million of dollars from the amount established by them in this judgment; that these false entries were artfully made in the accounts of those residing at a distance, and such as would not seem improbable, so as not to be accessible to inquiry and not likely to excite suspicion, though they could not well have continued any great length of time without detection, and that by a great variety of ingenious contrivances he managed to conceal his frauds even from his own clerks as well as from the trustees who were in daily attendance at his office. This defendant took no part in the arrangements made after the failure

for the payment of debts, not returning from the East until after they were generally made, as he understood, nor does he recollect being present at the board when any order was made for such payments; but he understood that payment was made to all without discrimination or partiality, who would accept such means as the company had to offer, and defendant believed it to be the duty of the trustees so to do, and he understood they were so advised by their able legal counsel. The sufficiency of the assets to pay the debts could not of course be known with certainty; but he understood there was then considered no reasonable ground to doubt that sufficiency. The president was then in New York investigating the affairs of the company, and the last report which defendant saw from him of the probable result
68 of the failure was that fifty per cent. of the capital would be sunk, not suggesting any greater loss. This defendant denies, so far as he knows or believes, that there was any partiality or favoritism in receiving p yments either from trustees or from any other persons; and he has no knowledge of any settlements with trustees except in his own case. He was indebted to the company in fourteen thousand dollars secured by his note and mortgage, payable on demand, with seven per cent. interest, which the company assigned or agreed to give the benefit of to certain creditors with whom his sons in his absence and on their own responsibility, on the 27th of August, as appeared by the writings, arranged the debt by agreeing to give to one of them defendant's notes and mortgage for between ten and eleven thousand dollars at seven per cent. interest, and to transfer certain securities to the others for the residue. This arrangement defendant afterwards consummated, thus settling the whole debt at par. The company also had defendant's note for five thousand dollars, which, by certain arrangements, third person, no way connected with the company, had assumed to pay. This note was paid in part by deposits and eastern checks of defendant at par, which were a legal set off thereto, at the time of the failure, and in part by or on behalf of those who had assumed to pay it. Defendant was not with the board when the general assignment was made, it being after his resignation; but it was talked over in the board while he was there, and there seemed to be much doubt in their minds as to their duty in
69 the matter; nor had defendant formed a decided opinion on the question, but he entirely denies, so far as he knows or believes that there was any intent or desire in this or any other of their doings to favor any one or to keep control of the assets, the books or effects of the company; and he believes the only motive of the assignment was a more economical management and equitable distribution of the assets. Defendant does not know or believe that said trustees have refused an examination of the books, accounts, or papers to any who had a right to such examination, or in any case where it could be properly granted. There was much popular excitement after the failure, and some individuals made great efforts to excite prejudice against the trustees, sometimes using garbled and imperfect statements of their accounts for that purpose; several were evidently aiming to speculate in the debts of the company, and seeking a color of authenticity to statements which would be framed merely for that purpose, and in various ways it seemed evident that some who demanded examination of the books had unfair and sinister purposes in view; and inasmuch as there could be no assurance of fairness in the extracts or statements they might make, and no control over the use that might be made of unfair ones; and as no satisfactory general statement could be made till a full investigation of Ludlow's affairs, it was deemed proper and defendant so advised that the books should not be indiscriminately submitted to those who had no legal right to inspect them.

70 Defendant had no acquaintance with the doings of the assignees under the assignment, and he does not admit or believe that the making of the assignment was delayed from any motive of favoritism or concealment; but, on the contrary, while he was in the board, so far as he understood the trustees, they were hesitating as to the propriety of such a step, with some difference of opinion among them, the president and others in New York indicating opinions against it, and some entertaining hopes that affairs might yet be generally arranged with creditors. And defendant denies, so far as he knows or believes, that this disastrous and painful calamity was occasioned by any fault, negligence, or mismanagement of the trustees or any of them, who were, as he verily believes, in all things faithful and diligent, discharging their duties gratuitously and attentively. Their management and course of business, as he believes, are the same which had been practiced for sixteen or eighteen years and become the settled and approved usage of the company with the sanctions hereinbefore suggested. Defendant does not believe that said Ludlow was originally dishonest, but that he became in some unknown way involved in speculations, which led him into desperate adventures, and finally to reckless faithlessness and ruin.

Defendant further says that in all matters relating to said company he has acted in good faith and according to the best of his judgment and ability, and without compensation; that with his small experience in bank-

71 ing affairs and in accounts, with the impediments before referred to, he was not conscious of any neglect of service useful to the company in giving so little attention to its affairs, but, on the contrary, he believed, and still believes, that the services were far better performed by abler and more experienced men, to whose judgment he should feel bound to defer, even if he was disposed to differ from them; that he never met with anything in the management of business, or the accounts, statements, papers, or books of the company to excite his suspicion of fraud or misconduct; that he always gave his services to the company to the best of his ability whenever the occasion seemed to require, and he rested in entire confidence in the good management and prosperity of the concern till its sudden and disastrous failure. Defendant never had any acquaintance with the affairs in New York other than what appeared from the statements thereof laid before the board, in which he did not see anything suspicious. There were very large amounts of money entrusted to the company in trust to pay interest and other debts due from States, cities, towns, railroads, and other corporations, which were placed in the hands of the cashier in New York, where they were generally payable; and this, with a large exchange business, involved the handling of a very large amount of capital, which in process of time and the casualties of business would occasion various arrange-

72 ments for securing doubtful debts or guarding against losses, thus occasioning a variety of forms of securities and of accounts. And this defendant (craving the indulgence of the court if in anything he has been unnecessarily prolix or personal in a matter so deeply involving reputation as well as property,) denies all fraud and combination wherewith in and by the said bill he stands charged, and reserving the right to make further answer, if occasion there should be so to do, humbly prays to be hence dismissed with his lawful costs in this behalf most wrongfully sustained.

STATE OF OHIO, *Hamilton County, ss:*

Nathaniel Wright, the defendant above named, being duly sworn, maketh oath that the facts stated in the foregoing answer, so far as stated of his own knowledge, are true, and so far as stated from information, he believes them to be true.

(Signed) N. WRIGHT.

Sworn to before me and subscribed in my presence this 14th day of December, A. D. 1859.

[SEAL.] EDWARD F. NOYES,
Notary Public, Hamilton County, Ohio.

And afterwards this cause was continued until the April term, A. D. 1860. and afterwards, to wit, on the thirteenth day of June, and at the term last above mentioned, an order was made, which said order is in the words and figures following, to wit:

Order of reference.

On motion of Messrs. Stanbery and McLean, counsel for the complainants, it is ordered that this case stand referred to Walter F. Straub, esq., as special master to take testimony and report the same touching what
73 sum or sums each of the said trustees, defendants in this case, was indebted to said company at the time of the suspension of said company, and as to all the particulars of such debts and the time and manner in which the same were paid or discharged, and whether in money or otherwise, and if in any other medium than money, then as to the value of the same and the rate at which it was paid in liquidation of said debts. The report of the master shall be filed on or before the first day of the October term, 1860, and said master, before he examines any witnesses, shall give the parties or their counsel notice of the time and place when and where witnesses are to be examined, and this cause is continued.

And afterwards this cause was continued until the October term, in the year last aforesaid, when the preliminary report of W. F. Straud, master commissioner, heretofore appointed herein, was filed, which report is in the words following, to wit:

To the honorable the judges of the United States circuit court for the southern district of Ohio:

The undersigned, special master appointed by this honorable court in the order made herein at the last term thereof to take testimony and report the same touching the matters and things in said order set forth and contained, would respectfully report to your honors that he is now and for some time past has been engaged in the business of this said commission, but that he is unable, owing to the extent of the labor imposed, to comply with the said order by filing his final report herein at this term of your honorable
74 court, and he respectfully asks that the court will grant him further time to prepare his report. All which is respectfully submitted.

(Signed) WALTER F. STRAUB, *Special Master.*

And thereupon, to wit, at the term and in the year last aforesaid, an order was made in the words following, to wit:

Entry.

In this case, upon the application of W. F. Straub, the special master to whom this case was referred at the last term, it is ordered that he have further time until the next April term allowed him to comply with the business of the said reference. And thereupon this cause was continued from term to term until the June term of said court, in the year 1861, when an entry was made in the words following, to wit:

Entry.

On motion of plaintiff, it is ordered that further time until the first day of

the next October term be allowed for the filing of the report of W. F. Straub, special master, and for the taking of depositions by the respective parties, and that plaintiffs have leave to revive the case against Stephen S. L'Hommedieu, the administrator of John C. Wright, a deceased defendant.

And afterwards, to wit, on the 25th day of June, in the term last aforesaid, came the complainants by their counsel and filed their replication herein, to the answer of Nathaniel Wright, which replication is in the words following, to wit:

Replication to answer of N. Wright.

And now come the said plaintiffs, by Stanbery & McLean, their solicitors, and for replication to the answer of the defendant Nathaniel
75 Wright, say that the matters and things set forth in their said bill of complaint are true in substance and matter of fact, and that the matters and things set forth in said answer contrary thereto are untrue, and this they are ready to make appear as by the court shall be directed.

(Signed) H. STANBURY & N. C. McLEAN,
Solicitors for Plaintiffs.

And afterwards, but on the same day, to wit, the 25th day of June, at the term and in the year last aforesaid, came the complainants by their counsel, and filed a bill of revivor herein, which said bill is clothed in the words and figures, to wit:

Bill of revivor, Jno. C. Wright.

To the honorable the judges of the circuit court of the United States for the 7th circuit and southern district of Ohio:

Your orators, James C. C. Bell, Robert Grant, and James Martin Bell, all aliens, subjects and citizens of the kingdom of Great Britain, there resident, show to your honors that on the 18th of October, A. D. 1858, they exhibited their bill of complaint on the chancery side of this court against the Ohio Life Insurance and Trust Company, Charles Stetson, John C. Wright, and other defendants, and on the 19th day of April, 1859, they also filed in the same cause their amended and supplemental bill; that answers were filed therein by a part of said defendants, and among others by the said John C. Wright, on the 9th day of October, 1859, to which replication was filed on the 21st day of December, 1859; that said case is still pend-
76 ing in this court, and your orators beg leave to refer to the same and the various pleadings, writs, orders, and exhibits therein, for greater certainty; that on or about the day of , A. D., 1861, the said defendant John C. Wright departed this life intestate, whereby as to him the said case has become abated, and ought to be revived; that one Stephen S. L'Hommedieu, a citizen and resident of the State of Ohio and of this district, hath been by the probate court of Hamilton County, Ohio, the domicil of the said intestate appointed sole administrator of said intestate, and hath been duly qualified as such; your orators pray that said L'Hommedieu, as administrator as aforesaid, be made party defendant in place of said intestate, and that process of subpœna issue against him, and that he answer your orators in the premises, and that said case do stand revived against him, and your orators will ever pray, &c.

HENRY STANBERY & N. C. McLEAN,
Solicitors for Plaintiffs.

And afterwards, to wit, on the first day of July, at the term of June last aforesaid, an order was entered in the words following, to wit:

In this cause, the complainants having filed their bill to revive this cause against Stephen S. L'Hommedieu, administrator of John C. Wright, a de-

ceased defendant, and said administrator having entered his appearance thereto, it is ordered that said Stephen S. L'Hommedieu, as administrator of John C. Wright, be made a defendant, and that this cause stand re-
77 vived accordingly.

And afterwards this cause was continued until the term of October in the year last aforesaid.

And afterwards, to wit, on the 8th day of November, 1861, at the term last aforesaid came W. F. Straub, the master commissioner heretofore appointed herein, and filed his report in this cause, which report is in the words and figures following, to wit:

In the matter of James C. C. Bell et al. *vs.* The Ohio Life Insurance and Trust Company et al.

Report of Walter F. Straub, special master, &c.

To the honorable the judges of the circuit court of the United States for the seventh circuit and southern district of Ohio, in chancery sitting:

The undersigned, special master to whom, by an order of this honorable court, made on the 13 day of June, A. D. 1860, this case was referred, directing him, the said master, to take testimony and report the same touching what sum or sums each of the said trustees, defendants in this case, was indebted to said company at the time of its suspension, and as to all the particulars of said debts, and the time and manner in which the same were paid or discharged, and whether in money or otherwise, and if in any other medium than money, then as to the value of the same, and the rate at which it was paid in liquidation of said debts, would respectfully report:

First. That in accordance with the instructions in said order contained, and before he proceeded to examine any witnesses touching the subject matter of this reference, and also from time to time thereafter, as the examination of said witnesses was continued, he gave the parties to this suit,
78 through their respective counsel, due notice of the time and place when and where said examinations were to be had.

Second. The undersigned would further report that the said depositions were taken in manner and form as set forth in the certificate thereunto attached, and that said depositions, with all the exhibits, are filed herewith and made a part of this report.

Third. The undersigned would further report that of said trustees defendants herein, Charles Stetson, Samuel J. Broadwell, George Crawford, Nathaniel Wright, Clement Dietrich, Chas. G. Enyart, Samuel Forrer, Samuel B. Keys, George Luckey, Samuel Fosdick, S. C. Parkhurst, George F. Stedman, and John C. Wright were each indebted to the said company at the date of its suspension on the 24th day of August, A. D. 1857, in various sums of money, as by the tabular statement attached to this report will be shown.

Fourth. The undersigned would respectfully refer the court to the deposition of Sam'l P. Bishop for a statement of all the particulars of said debts.

Fifth. Further, that the said trustees, very shortly after the suspension and before the date of the assignment of the company, severally paid, some of them in whole and others of them in part, their said liabilities to the company in its checks or other obligations, with the single exception in the case of Chas. G. Enyart, who, as it appears by the books of the company, paid some ninety dollars of his indebtedness in cash. The undersigned deems it proper, in this conneetion, to add that said tabular statement be com-
79 piled from the deposition of Mr. Bishop, which said deposition was based upon the showing made by the books of the company, kept at Cincinnati, as will appear by reference to pp. 53 and 54 of said deposition.

Sixth. Further, that in addition to the liabilities of the trustees hereinbe-

fore referred to, the following trustees, defendants, were indebted, at the date of the suspension, to the New York agency of said company, as shown in the annexed statement, copied from page 54 of said deposition: Samuel Fosdick, unsettled and disputed, $716 08; Clement Dietrich, settled, 1,500 00; Samuel B. Keys, settled, $3,878 48; Charles Stetson, all paid but about $200, 3,027 68; Chas. G. Enyart, paid, 250 00. The particulars of these last payments are unknown both to Mr. Bishop and the undersigned.

Seventh. The undersigned would further report that the values of the checks of the company, at different dates, from the 24th day of August, A. D. 1857, when said company suspended, to the 26th day of September of same year, the date of its assignment, will fully appear by reference to the deposition of William A. Goodman, hereto attached and made part hereof.

Eighth. The undersigned would further report that the checks and other obligations of the company paid by the trustees defendants, in liquidation of their several debts to the company, were received by it at their par value.

Ninth. The deposition of Charles Goodman, hereto attached, exhibits the market value of the checks and certificates of the company, after the date of its assignment, down to April or May, A. D. 1858.

80 The undersigned would finally report that the taking of the said depositions extended over a period of about three months, involving much care and attention, and in addition thereto a great deal of labor in various ways which does not appear therein, although necessary to the preparation of this report. All which is respectfully submitted.

Cincinnati, Oct. 17, 1861.

WALTER F. STRAUB, *Special Master.*

Tabular statement referred to in the foregoing report, showing amounts owng by trustees at the time of suspension, and how they were paid.

Trustees' names.	Am'ts owing.	How paid.	Amount.
Charles Stetson	$58,029 51	Paid at sundry times between Sept. 7, 1857, and Sept. 23, 1857, in checks of the company	
Samuel J. Broadwell	18,143 50	Paid on 26th Aug., 1857, in checks	
George Crawford	10,227 16	Paid 8th Sept, '57, trust department, certificates and interest	$4,120 00
		Paid same date, in checks	6,107 16
		In all	10,127 16
Nathaniel Wright	21,500 00	Aug. 27, '57, trust department certificates	14,108 89
		Same date, checks	4,223 70
		Sept. 7th, checks	3,308 38
		In all	21,640 97
Clement Dietrich	11,591 38	Sept 7th, trust department certificates and interest thereon	450 67
		Same date, checks	11,140 71
		In all	11,591 38
Chas. G. Enyart	5,138 01	Cash	90 00
		Aug. 29th, checks	3,301 46
		Sept. 1st, checks	1,746 55
		In all	5,138 01

Tabular statement, &c.—Continued.

Trustees' names.	Am'ts owing.	How paid.	Amount.
Samuel Forrer	12,025 28	Transferred to Exchange Bank, Circleville, in part payment, their bal	$2,025 28
		Still due and unpaid	10,000 00
81			12,025 28
Samuel B. Keyes (Note.—The excess appearing in Mr. Keys's payments was applied to his indebtedness to New York agency.)	22,548 82	Aug. 28th, checks	4,000 00
		Sept. 3, checks	10,363 61
		Sept. 9, checks	5,288 86
		Sept. 15, checks	1,695 04
		Sept. 21, certificates of dep. in trust	518 33
		Sept. 21, checks N. Y. agency	850 00
			22,715 84
George Luckey	22,078 20	Aug. 28, 29, checks	11,200 00
		Sept. 1, checks	7,578 20
		Sept. 11, checks	428 37
			19,206 57
Samuel Fosdick	10,000 00	Aug. 31, checks	10,000 00
Samuel C. Parkhurst	13,187 44	Aug. 26, '57, checks	4,119 00
		Sept. 5, '57, checks	2,759 25
		Sept. 7, '57, ch'ks and other obligations of company	1,309 19
		Sept. 7, '57, ch'ks and other obligations of company	5,000 00
			13,187 44
G. T. Stedman	17,421 00	Sept. 1, '57, checks	3,000 00
		Sept. 5, '57, checks or other obligations	9,262 50
		Sept. 7, '57, trust dep'rt certificates	5,075 00
		Sept. 7, '57, checks	83 50
			17,421 00
J. C. Wright	21,619 77	Aug. 31, '57, ch'ks or other oblig't'ns of co	1,500 00
		Sept. 8, '57, ch'ks	4,750 00
		Sept. 11, '57, ch'ks N. Y. agency	3,500 00
		Sept. 16, '57, ch'ks	200 00
		Sept. 19, '57, ch'ks	2,657 86
		Sept. 25, '57, life insurance premiums	5,087 50
		Sept. 11, ch'ks N. Y. agency	4,000 00
			$21,695 36

Note.—In the above statement, wherever a blank appears in the manner of payments, the kind of payment is unknown.

Depositions of Bishop et al.

82 The depositions of Samuel P. Bishop, William A. Goodman, and Charles Goodman, taken before me, Walter F. Straub, special master, &c., at the office of the trustees of the Ohio Life Insurance and Trust Company, Third street, Cincinnati, beginning on the sixth day of September, A. D. 1860, and adjourned from time to time as therein specified, agreeably to an order (a certified copy of which is hereto attached) made by the honorable the circuit of the United States for the 7th circuit and southern district of Ohio, in chancery, sitting in the case of James C. C. Bell *et al.*, plaintiffs, *vs.* the Ohio Life Insurance and Trust Company, Charles Stetson *et al.*, defendants.

Samuel P. Bishop of lawful age being first solemnly sworn, deposeth as follows in answer to interrogatories of plaintiffs' counsel.

Question 1st by Messrs. Stanbery and McLean, counsel for plaintiffs. Please state what official connexion you have had with the Ohio Life Insurance and Trust Company before its suspension, as well as since?

Answer. In the latter part of October, A. D. 1836, I came to the Ohio Life Insurance and Trust Company as their receiving teller, and continued as such until May, A. D. 1837, when I was appointed paying teller, and continued as such until April, A. D. 1843, when I was appointed assistant cashier, and held that desk until the assignment of the company on 26th September, A. D. 1857; after this date I was appointed one of the clerks of the assignees of said company, and continued as such until October
83 18th, A. D. 1858, at which time R. Mather, sheriff of Hamilton County, Ohio, was appointed receiver of the assets of said company. I held no appointment under said receiver, but occasionally was called upon by him for knowledge in regard to the affairs of the company. In the latter part of January, A. D. 1859, I was appointed clerk by Messrs. Reemelin and Kilbreth, trustees, appointed by the superior court of Cincinnati, and have continued in their service in that capacity ever since.

Question by same. Please state the amount that each of the trustees owed the company at the date of the suspension, that is to say, on the 24th August, A. D. 1857. Give the name of each trustee and the particulars of the debt of each, and whether by note or otherwise, and how secured, the date, time of maturity and how long standing.

Memo.—Examination adjourned until Tuesday, September 11th, 1860, between the hours specified in notice, to enable witness to prepare his answers to above interrogatory.

W. F. STRAUB, *Special Master.*

Thursday, Sept. 6th.

Memo.—Examination adjourned until to-morrow, Wednesday, September 12th.

W. F. STRAUB, *Special Master.*

Tuesday, September 11th.

WEDNESDAY, *Sept. 12th.*

Examination resumed.

Answer of S. P. Bishop to 2nd interrogatory. From personal knowledge I am not able to state the indebtedness of the trustees, except that of C. Stetson who, being absent from the city, requested me to liquidate his indebtedness, which was as follows:

1. Note on demand dated January 18, 1848, for fifteen
84 thousand dollars, secured by mortgage on lot south-east corner Fourth and Race streets, this city..... $15,000 00

2. Note on demand dated March 26, 1846, for two thousand dollars secured by mortgage on lot south side of Front street, near Ludlow st., this city		2,000 00
3. Note dated May 23, 1857, three months date, secured on Front street lot, as above stated, payable to my order as assistant cashier, for three thousand dollars		3,000 00
4. Amount due upon individual ledger, twelve thousand one hundred thirteen dollars and fifty four cents	$12,113 54	
Less a credit omitted January 8, 1855, four hundred and fifty dollars	450 00	
		11,663 54
Interest due, three thousand three hundred sixty-six dollars and two cents		3,366 02
Total of above		$35,029 56

As assistant cashier in July, 1855, I had received from C. Stetson a note dated Sept. 17, 1853, secured by mortgage upon a lot fronting on Race and Third streets of this city, for four thousand dollars; also two other notes dated July 5, 1855, one for nine thousand dollars, and one for ten thousand dollars. This amount I held in account upon the individual ledger as "S. P. Bishop, assistant cashier, for C. Stetson," and for the same I had collaterals as follows:

15,600 00	Indiana canal stock, valued at 43c	$6,708 00
3,425 00	" " " " "	788 00
2,000 00	Cincinnati college bonds, valued at	2,000 00
12,500 00	25 shares Cattawissa railroad, 20c	5,000 00
5,000 00	trust company stock	5,000 00
800 00	Washington Insurance Company	800 00
10,000 00	Cincinnati, Wilmington & Zanesvill R. R. Co. valued at 40c	4,000 00
5,000 00	Merchants' Bank, Cleveland, stock	6,000 00
$59,325 00		$35,296 00

Error in the footing of original of $5,000.

This account I did not report to the trustees nor was it classed among the trustees liabilities.

Memo.—Adjourned until to-morrow, Thursday, Sept. 13, between same hours.

W. F. STRAUB, *Special Master.*

Sept. 12, 1860.

85 From examination of the books I find—(*Mem.*—The defendants' counsel object to the witness stating what information or knowledge he gets from an examination of the books only or from other parties, other than the defendants. Subject to such objection the witness proceeds with his answer to last interrogatory.) From examination of the books I find Samuel J. Broadwell was indebted for a note on demand, dated July 17, 1855, for ten thousand dollars, also a note on demand dated July 17, 1855, for eight thousand dollars, both secured by mortgage on real estate in Hamilton County, Ohio. This was in the trust department. There was to his credit in the banking department one hundred fifty-six dollars and twenty-three

cents. George Crawford was indebted by a note on demand of five thousand dollars. He was also indebted for a note on demand dated 15 June, 1857, for five thousand dollars. This last note was secured by mortgage on real estate in Hamilton County, Ohio. These were in trust department. There was to his credit in banking department two hundred eighty-two dollars and ninety-nine cents. Nathaniel Wright was indebted for a note on demand dated July 18, 1857, for fourteen thousand dollars. He was also indebted for a note on demand of five thousand dollars. These were in the trust department. There was to his credit in the banking department five hundred thirty eight dollars and thirty-six cents. First note secured by mortgage in the banking department. [He was indebted for a note ninety days date, payable to the order of Nathaniel Wright, jr., for fifteen hundred dollars, dated 8th June, 1857, also for a note dated, July 15, 1857,
86 ninety days after date payable to same order for one thousand dollars. Nathaniel Wright, sr., within a week past has told me these last two notes were the indebtedness of his son, N. Wright, jr.*]

C. Dietrich was indebted for a note on demand, dated July 22, 1853, for five thousand dollars. He was also indebted for a note on demand, dated November 13, 1846, for four thousand dollars, secured by real estate in Hamilton County, Ohio. These were in the trust department. He was also indebted in the banking department on a note ninety days date, dated August 17, 1857, payable to my order as assistant cashier, for twenty-five hundred dollars. There was to his credit in the banking department one hundred twenty-nine 75-100 dollars.

C. G. Enyart was indebted for a note on demand, dated April 8, 1854, for five thousand dollars. This was in trust department. There is on the margin of the account of C. G. Enyart a memorandum in pencil of the words "trust stock," and on the margin of George Crawford's account a pencil memorandum of the words "trust co. stock."

Samuel Forrer was indebted for a note dated April 3, 1840, due September 30, 1840, for ten thousand dollars, secured by a hundred shares of trust company stock valued at a like amount. This valuation does not appear by the books. I give it at the suggestion of the master. He was also indebted for a note on demand, dated July 7, 1857, for two thousand dollars, secured by mortgage on real estate in Franklin Co., O. The above notes were in trust department.

87 S. B. Keys was indebted for a note on demand for five thousand dollars, dated April 8, 1854. In the margin, in pencil, is noted the words "trust stock." He was also indebted for a note on demand, dated Feb'y 24, 1855, for ten thousand dollars In the margin in pencil is noted the words "20 bonds, Cin. Hill RR." These were in trust department. He was also indebted in the banking department for note dated August 22, 1857, sixty days date, to the order of S. P. Bishop, ass't c'hier, for four thousand dollars. He was also indebted in the banking department, individual ledger, three thousand one hundred eighty-five and 20-100 dollars.

George Luckey was indebted on a note dated January 2, 1840, due 30th March, 1840, for forty-eight hundred dollars. On December 7, 1844, paid on the principal of said note three hundred dollars. There was due 24th Aug't, 1857, on principal of said note forty-five hundred dollars. In pencil on the margin there is noted the words "100 shares C., D. & H. RR." Also for a note dated March 30, 1850, on demand, nine thousand five hundred dollars, secured by real estate in Hamilton County, O. The above were in trust department. In the banking department on a note dated June 19, 1857, payable ninety days after date, to the order of G. M. Luckey, for five

*The portion between brackets is objected to by counsel for N. Wright.

thousand dollars. Also on a note dated July 11, 1857, ninety days date, to same order, for twenty-eight hundred dollars. I held in addition for the security of these notes sundry collaterals, the description and value of which I am not able to give. There was to his credit in the banking
88 department thirty-nine and 98-100 dollars.

Samuel Fosdick was indebted in the banking department on a note dated June 22, 1857, ninety-five days date, to the order of C. R. Fosdick, ten thousand dollars.

S. C. Parkhurst was indebted on a note on demand, dated June 10, 1851, for seven thousand dollars. On the 28th of Feb'y, 1852, paid on account of the principal two thousand dollars. Also on the 31st March, 1852, a further payment of one thousand dollars on account of the principal, leaving four thousand dollars due on principal on Aug. 24, 1857. In the margin in pencil, is noted these words "Elsner, $5,000." Also due a note dated 23d March, 1846, payable on demand, for four thousand dollars, secured by real estate in Hamilton County, O. The above notes were in trust department. There was also due in the banking department note dated July 10, 1857, ninety days date, to order S. P. Bishop, ass't cashier, for five thousand dollars. I held collaterals from Wm. Parkhurst, the description of which I am unable to give.

G. T. Stedman was indebted for a note on demand, dated March 25, 1853, for five thousand dollars. Also for a note on demand, dated October 5, 1853, for nine thousand dollars. The above were in trust department. There was also in banking department note dated March 26, 1857, to order of S. P. Bishop, ass't cashier, for three thousand dollars.

J. C. Wright was indebted on a note dated August 19, 1844, for four thousand dollars. Also for a note dated December 3, 1850, on demand, for
89 four thousand and two hundred dollars. In pencil, on margin, is noted these words: "50 shares C., H. & D. RR." Also a note, dated June 29, 1839, due December 30, 1839, for eight thousand dollars. On the 7th Dec'r, 1841, there was paid on account of principal of last note five hundred dollars. On the 31 July, 1850, there was a further payment of principal of said note nineteen hundred thirteen 23-100 dollars. On the 28th August, 1850, there was a further payment on said principal five hundred eighty-six 77-100 dollars, making amount of principal of said note due 24 Aug., 1857, five thousand dollars. In the margin, in pencil, is noted "62-80 S. T. Co. stock." Also a note on demand, dated Oc. 20, 1845, for two thousand dollars. Also a note on demand, dated December 11, 1845, five hundred dollars. In the margin, in pencil, is noted "R. E. 2d mort. to co." Also a note dated Feb'y 25th, 1847, on demand, for five hundred dollars. In the margin, in pencil, is noted "R. estate." The above were in the trust department. In the banking department he was indebted on a note dated June 27, 1857, ninety-five days date, to order of S. P. Bishop, ass't cash'r, for thirty-five hundred dollars. The collaterals which I held for same I am not able to describe. Also a note dated July 25, 1857, ninety-five days date, to order of C. J. Wright, for fifteen hundred dollars. There was to his credit in banking department two hundred and thirty-seven dollars and fourteen cents.

Question 3d, by same. Please state the particulars of the payment of the debts so owed by said trustees, respectively, giving the date of each payment, and whether made in cash, and if not, in what other mode.
90 Answer. The indebtedness of Charles Stetson was paid in checks upon the company, on the seventh of September, 1857, two thousand one hundred eighty eight 75-100..... $2,188 75
Sept. 8, 1857, eighteen thousand five hundred and seventy-five dollars..... 18,575 00

Sept. 9, 1857, eleven thousand three hundred and twenty-six and 27-100 dollars	11, 326 27
Sept. 10, 1857, two hundred forty-four dollars	244 00
" 12, 1857, twelve hundred sixty-seven 95-100	1, 267 95
" 17, 1857, five thousand four hundred and fifty	5, 450 00
" 18, 1857, fourteen hundred thirty-four and 25-100	1, 434 25
" 19, 1857, ten thousand six hundred fifty-two and 30-100	10, 652 30
" 22, 1857, twenty-seven hundred sixty-two and 50-100	2, 762 50
" 23, 1857, thirty-nine hundred ninety-four and 17-100	3, 994 17
" " " one hundred thirty-four and 37-100	134 37
	$58, 029 56

From examination of the books I find—(*Mem.*—The defendants' counsel object to the witness stating what information or knowledge he gets from an examination of the books only, or from other parties other than the defendants. Subject to such objection, the witness proceeds with his answer to last interrogatory.)

From examination of the books, I find that on the 27th August, 1857, bills receivable in the trust department, a credit of fourteen thousand dollars, and in the margin immediately opposite "Nat. Wright" was written. Immediately following is another entry, interest bills receivable one hundred eight and 89-100 dollars, with the marks "u, u" underneath, "Nat Wright" on line above. On the third of Sept., same year, bills receivable, trust department is credited with seventeen hundred twenty-three and 70-100
91 dollars; N. Wright's name appears in the margin, as in last entry. On the 7th Sept., same year, bills receivable, trust department, three thousand two hundred seventy-six and 30-100 dollars; in the margin there is a tick; on the line above N. Wright's name appears. Immediately following the credit, as above, interest bills receivable is credited thirty-two and 8-100 dollars, and a tick in the margin. In the banking department, on the 27th Aug't, same year, bills discounted, domestic is credited with N. Wright's note for fifteen hundred dollars, and on same day same account is credited with N. Wright's note for one thousand dollars.

Further examination adjourned until to-morrow, Friday, Sept. 14, 1860.

W. F. STRAUB, *Special Master.*

FRIDAY, *Sept.* 14, 1860.

S. P. Bishop resumed and continued his answer to the last interrogatory, as follows:

On the 28th August, 1857, bonds and mortgages were credited S. J. Broadwell, ten thousand dollars; in the left-hand margin is "3617." On the same day same account is credited S. J. Broadwell, eight thousand dollars, and in margin opposite "3618." On same date interest bonds and mortgages is credited S. J. Broadwell, seventy-nine and 72-100 dollars, and in margin is "3617." On same date interest bonds and mortgages is credited S. J. Broadwell, sixty-three and 78-100 dollars, and in margin is "3618." On the 8th September, 1857, bills receivable is credited five thousand dollars; George Crawford's name is in right-hand margin. In the next entry below interest bills receivable is credited one hundred and forty-five and 83-100.

On the same date bonds and mortgages are credited five thousand
92 dollars; George Crawford in right-hand margin; in left-hand margin is "3630." On same, in following entry, interest bonds and mortgages is credited eighty-one dollars thirty-three cents. There is a tick in right-hand margin. On the 7th September, 1857, bonds and mortgages

are credited four thousand dollars; Clement Dietrich in the margin. The succeeding entry on same date, interest bonds and mortgages are credited forty-six and 66-100 dollars. There is a tick in right-hand margin. On same date, bills receivable is credited in entry following, five thousand dollars. There is a tick in right-hand margin. In the succeeding entry, same date, interest bills receivable is credited forty-four and 72-100 dollars, with tick in right-hand margin. On 7th Sept., 1857, bills discounted domestic is credited, 4,268, C. Dietrich, twenty-five hundred dollars. On the 29th August, 1857, bills receivable is credited thirty-three hundred ninety-one and 46-100 dollars ; E. G. Enyart in margin. On the 1st Sept., 1857, bills receivable is credited sixteen hundred eight dollars and 54-100 dollars. In the margin is C. G. Enyart. In the succeeding entry, same day, interest bills receivable is credited one hundred thirty-eight and 1-100 dollars. On the 14th Sept., 1857, bonds and mortgages are credited in left-hand margin, 2,685, Samuel Forrer two thousand dollars. In the succeeding entry, interest bonds and mortgages twenty-five and 28-100 dollars is credited. On the third September, 1857, bills receivable is credited ten thousand dollars; S. B. Keys in the margin. In the succeeding entry, interest bills receivable is credited with three hundred sixty-three and
93 61-100 dollars. On the 15th Sept., 1857, bills receivable is credited with sixteen hundred ninety-five and 04-100 dollars; in the right-hand margin is "check, S. B. Keyes, trust stock note." On the 21 Sept., 1857, bills receivable is credited thirteen hundred sixty-eight and 33-100 dollars. On the 28 August, 1857, bills discounted, domestic, is credited (4322) S. B. Keyes four thousand dollars. On the 9th Sept., 1857, Samuel B. Keyes is credited in individual deposits five thousand two hundred and eighty-eight and 86-100 dollars. On the 28th August, 1857, bills receivable is credited four thousand three hundred forty-six and 55-100 dollars; in the line immediately above this entry is G. Luckey, twelve hundred dollars. On the 11th Sept., 1857, bills receivable is credited four hundred twenty-eight and 37-100 dollars; George Luckey in the margin. On August 29, 1857, bonds and mortgages are credited (in right-hand margin 3522) with five thousand dollars; in right-hand margin is G. Luckey. On first Sept., 1857, bonds and mortgages are credited (3422) with four thousand five hundred dollars; in the entry immediately following interest bonds and mortgages is credited two hundred seventy-eight and 20-100 dollars. On same date banking department is credited twenty-eight hundred dollars; G. Luckey's name in the margin On August 28, 1857, bills discounted, domestic, are credited, (3617) in five thousand dollars; G. Luckey. On Sept. 1st, 1857, (No. 3842,) same account is credited twenty-eight hundred dollars; G. Luckey. On 31, August, 1857, bills discounted, domestic are credited (3666) Samuel Fosdick ten thousand dollars. On 5th Sept., 1857, bills receivable is credited two
94 thousand seven hundred fifty-nine and 25-100 dollars; S. C. Parkhurst in margin. On 7th Sept, 1857, bills receivable is credited twelve hundred forty and 75-100 dollars; S. C. Parkhurst's name in margin; in the entry immediately following interest bills receivable is credited sixty-eight dollars forty-four cents. On 26th August, 1857, bonds and mortgages are credited ($3,009) four thousand dollars; S. C. Parkhurst in margin; in the entry immediately following, interest bonds and mortgages is credited one hundred nineteen dollars. On Sept. 7th, 1857, bills discounted, domestic, is credited (3839) S. C. Parkhurst four thousand eight hundred fifty-two and 47-100 dollars; in the succeeding entry, same account, do. do. has one hundred forty-seven and 53-100 dollars. On the 7th Sept., 1857, bills receivable is credited five thousand dollars; G. T. Stedman in margin; in the succeeding entry interest bills receivable is credited one hundred fifty-eight and 50-100 dollars; there is a tick in margin. On the 5th Sept., 1857, bills re-

ceivable is credited nine thousand dollars; G. T. Stedman in margin; in the succeeding entry interest bills receivable is credited two hundred sixty-two and 50-100 dollars. On the 1st Sept., 1857, bills discounted, domestic, (3286,) G. T. Stedman three thousand dollars. On Sept. 8th, 1857, bills receivable are credited four thousand five hundred dollars; in the two lines immediately preceding is John C. Wright four thousand dollars, and do. do. five hundred dollars; immediately following the credit bills receivable interest bills receivable is credited two hundred fifty dollars. On 19
95 Sept., 1857, bills receivable is credited twenty-five hundred dollars; John C. Wright in the margin; in the entry immediately following interest bills receivable is credited one hundred fifty-seven and 86-100 dollars. On the 11th Sept., 1857, bills receivable is credited four thousand dollars; in the margin J. C. Wright, secured by C. D. H. and R. R. stock. On 16th Sept., 1857, bills receivable is credited two hundred dollars; on the margin J. C. Wright. On 25th Sept., 1857, same account is credited five thousand dollars; in the margin John C. Wright. In succeeding entry, same date, interest bills receivable is credited eighty-seven 50-100 dollars; in the margin policy of insurance on life, J. C. W. On Aug 31st, 1857, bills discounted, domestic, is credited (4007) J. C. Wright fifteen hundred dollars. On Sept. 11th, 1857, same account has credit (3732) thirty-five hundred dollars.

Memo.—Further examination adjourned to Saturday, Sept. 15th 1860.

W. F. STRAUB, *Special Master.*

SATURDAY, *Sept.* 15, 1860.

Examination resumed. Witness continues his answer to last interrogatory as follows:

On 27th August, 1857, the date of credit to bills receivable fourteen thousand dollars; Nat. Wright and interest bills receivable one hundred eight and 89-100 dollars; there also appears credit of certificates deposited in trust four thousand nine hundred thirty-eight and 73-100 dollars; in right-hand margin J. Rawson & Co.; (12,354) in left-hand margin. The debits immediately preceding these three credits are as follows: (11,993) certificates deposited in trust five thousand dollars; in right-hand margin
96 J. Rawson & Co. Interest deposite in trust is debited sixty and 55-100 dollars; in right-hand margin a tick. (11,939) certificates deposit in trust five thousand dollars, (tick in margin.) Interest deposit in trust seventy-nine and 70-100 dollars, (tick in margin.) (11,940) certif. deposited in trust five thousand dollars, (tick in margin.) Interest deposite in trust seventy-nine and 37-100 dollars, (tick in margin.) (11,577) certificates deposited in trust two thousand dollars, (Elizabeth Reynolds in m'n.) Interest deposite in trust fifty-three and 35-100 dollars. (12,302) Certificate deposite in trust seventeen hundred and seventy-five dollars, in margin J. B. Reynolds. On Sept. 3, 1857, to entry credit bills rec'ble, (N. Wright in margin,) the debit (3476.) Certificates deposited in trust five hundred and fifty dollars, (N. Wright in margin.) Banking department eleven hundred sixty and 71-100 dollars. Interest dep. in trust twelve and 99-100 dollars. In banking department on 3d Sept., 1857, trust dep't is credited Nat. Wright (103 71, 959 00, 100 00) 1,160 71.

In banking dep't I find on last date we charge N. Wright one hundred three and 71-100 dollars, N. Wright, jr., nine hundred fifty-seven dollars, which are the only charges of those amounts I find upon that date.
97 Hewson & Holmes are charged one hundred dollars; Elizabeth Harvey is charged one hundred dollars; E. Patterson is charged one hundred dollars; J. J. Kirby is charged one hundred dollars.

To the credit of September 7, 1857, bills receivable thirty-two hundred

seventy-six and 30-100 dollars, and interest bills receivable thirty-two and 08-100 dollars. Banking department charged in preceding entry thirty-three hundred eight and 38-100 dollars; N. Wright in right-hand margin. In banking department, 7th Sept., 1857, trust department is credited Nat. Wright (676 81, 1,353 50, 132 99, 891 58, 253 50,) $3,308 38.

On same date in banking department we charge

W. W. Watson	$676 81
Gilmore & Brotherton	1,353 50
N. Wright	132 99
J. W. Kirk	891 58
Phœbe T. Livingston	253 50
	3,308 38

The above are the only debits of that amount I find on above dates. On 28th August, 1857, immediately following, bonds and mortgages $18,000, and interest bonds and mortgages $143 50. Bills receivable is credited $8,000; and interest bills receivable is credited $155 55. The debit immediately preceding these credits, banking department is debited $26,299 05. In right-hand margin appear the figures $26,000

In right-hand margin appear the figures $26,000	26,000 00
Immediately below, in figures	299 05
	26,299 05

By referring to banking department, the trust department is credited, among other items, $26,299 05. In the body of the book, preceding last credit,
98 appear the figures 26,000, and immediately following, in figures, 299 05. On same date, the New York agency is charged, E. Dexter & Son's check, $26,000; S. J. Broadwell is charged 299 05. On Sept. 8, 1857, immediately preceding the credit of that day, $5,000, bills receivable, (George Crawford in margin,) and int. bills receivable, $145 85, the banking department is charged (in left-hand margin) 11,576

11,576	$1,025 83
Certificate deposit in trust	4,000 00
Sarah Lewis (in pencil in left margin) interest dep't in trust	120 00
	5,145 83

In banking department, same day, trust department is credited

George Crawford, ($145 83, 880 00)	1,025 83
Same date, same dep't, we charge George Crawford $145 83	
Sarah Lewis 880 00	
	1,025 83

On 8th Sept., 1857, immediately preceding credit, bonds and mortgages $5,000 00, (Geo. Crawford in margin,) and int. bonds and mort's $81 33-100, banking department is charged $5,581 33. By reference to banking department, same date, trust dep't is credited Geo. Crawford, (82 09, 2,300 00, 2,000 00, 699 24,) $5,081 33.

Same day we charge George Crawford 82 09; W. S. Wright 2,000 00; do. do. 699 24. I find no debit corresponding with the figures $2,300 00. On Sept. 7, 1857, immediately preceding the credits, bonds and mort's $4,000 00, (C. Dietrich in margin,) interest bonds and mortgages $46 66; bills
99 receivable 5,000 00; interest do. 44 72. I find charged banking department $8,640 71, (C. Dietrich in margin;) 11,737, certificate in trust 100 00, (Ellen Wealton in margin;) interest dep. in trust 2 55; 12,174 (or 6,) certificate in trust (dep.) 125 00; int. dep'd in trust 94; 11,089, cert.

dep. in trust 210 00; int. dep. in trust 12 18. In the banking dep't, same date, trust dep't is credited C. Dietrich, (3,000 00, 4,000 00, 665 00, 421 19, 429 75, 100 00, 628 92,) 8, 640 71.

On same date I find we charged in banking department R. Kirby, 3,000 00; do. 4,000 00; S. Fosdick & Co., 65 00; F. Darr, 421 19; C. Dietrich, 429 75; W. S. Rosecrans, sup't, 100 00; do. 628 92. These are the only debits of that amount I find on that date.

On 29th August, 1857, immediately preceding the credit, bills receivable $3,391 46, (E. G. Enyart, in margin,) banking department, trust department is credited C. G. Enyart, "n" 90 00, 45 13, 633 60, 200 00, 1,000 00, 37 31, 18 25, 96 10, 767 14, 500 00..... ..... 3,387 43
Immediately above is..... 4 03

$3,391 46

I find charged, same date, to Clarke & Selfe, $45 13; Samuel Peel, 500 00; Miller & Brother, 767 14; Chas. Miller, 96 10. Same day we charge
100 200 00; Anna Bissell, 200 00; S. T. Brigham, 200 00; Andrew & Wilson, 1,000 00; S. S. Carpenter, 1,000 00; Evans & Patterson, 1,000 00; New York agency, (6,128,) our check, 1,000 00; do. (6,036,) do. 200 00.

The above are all the debits of those amounts I find on that date. I find no debits to correspond with the amounts 90,00, 633,60, 37,31, 4,03, 18,25. To the credit immediately preceding credit, Sept. 1st, 1857, bills receivable, $1,608 54, (C. G. Enyart in margin,) and interest bills receivable, $138 01, banking department is charged 1,746 55; same date in last dept. trust dept. is credited C. G. Enyart balance, 2,746 55; same date, banking department, we charge G. Phipps & Co., 1,746 55; on Sept. 3, 1857, immediately preceding credit of 10,000 00, (S. B. Keyes in margin,) int. bills rec'ble, $363 61, banking department is charged $10,363 61; same date in banking department, trust department is credited, S. B Keyer, (5,999 00, 3,157 39, 408 61, 200 00, 60 00, 538 61,) 10,363 61. Same date we charge in banking department, S. B. Keyes, 408 61; J. Snyder, 200 00; N. Y. agency, (our check, 6,179) 200 00; Keys, Maltby & Co., 538 61; McKeehan & Evans, 5,999 00.

The above are the only debits of those amounts I find of that date.
101 For the items in figures 60,000 I find no corresponding debits, (3,157 39.)

For the credit, Sept. 15, 1857, bills receivable, 1,695 04, (in the margin S. B. Keyes,) trust stock note banking department is charged 1,695 04.

Same date banking department is credited S. B. Keys, 1,695 04; same in banking department, we charge S. B. Keyes 1,695 04. To the credit, Sept. 21, 1857, bills receivable, $1,368 33, (S. B. Keyes in margin,) debits preceding (11,437,) is charged cert. dep. in trust, 500 00, (in margin Alex. Cooper,) int. dep in trust, 18 33. Banking department is charged 850 00. Same date in banking department, trust department is credited S. B. Keyes, N. Y., (100 00, 750 00,) 850 00. Same date we charge N. Y., agency, D. G. A. Davenport, treas'r check, 100 00; do., do., do., 750 00, 850 00.

Adjourned to Monday, Sept. 17, 1860.

W. F. STRAUB, *Special Master.*

MONDAY, *Sept.* 17, 1860.

Examination resumed. Witness proceeds with answer to last interrogatory as follows: The corresponding debit for the credit of Aug. 28, 1857, to bills receivable of $4,346 55-100, and interest bills receivable, $8 17-100, banking department is charged four thousand three hundred fifty-four and 72-100

dollars. (In the margin, right, in figures, $1,500 co., in bank; below that in figures, $2,854 72.) In banking department same date, trust dept. is credited $1,500 00. (Ditto G. Luckey's name immediately above ditto.) Immediately preceding the credit of 11th Sept., 1857, of $428 37-100, (G. Luckey in margin,) banking department is charged $428 37-100. Same date, in banking department, trust department is credited Geo. Luckey, $375 00,
102 16 61, 36 73—$428 37. Same date we charge in banking department:

G. Lieger	375 00
G. M. Luckey	16 64
G. Luckey	36 73
	428 37

These are the only debits of these amounts I find on that day.

On Aug't 29, 1857, the corresponding debit to credit bonds and mort's that date, (G. Luckey in margin,) $5,000 00; b'k'g dept. is charged $5,000 00. Same date in b'k'g dept. trust dept. is credited $5,000 00. In b'k'g dept we debit on that date, Thomas Spooner, clerk, $5,000 00. This is the only debit of that am't I find that day. The corresponding debits to the credit, Sept. 1, 1857, of banking dept., $2,294 25; by credit (in margin J. Rawson & Co.,) by checks, and b'k'g dept. credit, $2,800 00, (G. Luckey in margin,) in checks, and bonds, and mort's, $4,500 00; interest, bonds, and mort's $278 20-100; bonds and mort's, (1705,) $221 80-100, (R. Hazeltine in the margin,) is cert's in trust, $5,000 00; in the margin 12,107. J. Rawson & Co., int. dept. in trust, 42 19; cert. dep. in trust, 5,000 00—$12,052; interest 52 06.

In bk'g dept. same date, bills discounted domestic are credited G. Luckey, $2,800 00; on the 31st August bills discounted domestic are credited $10,000; I find no corresponding debit. The corresponding debit to the credit bills receivable of 5th Sept., 1857, of $2,759 25-100, (S. C. Parkhurst in margin,) bk'g dept. is debited $2,759 25-100. Same date in banking department trust department is credited S. C. Parkhurst on account of $2,759 25-100. Same date we debit in banking department, J. Rawson & Co., $2,759 25-100. The corresponding debit to credit bills receivable of 7th Sept., 1857, (S. C. Parkhurst in margin,) $1,240 75-100, and
103 interest bills receivable $68 44-100, banking department is charged $1,309 19-100; same date in banking dept. trust dept. is credited, S. C. Parkhurst, $1,309 19-100; I find no corresponding debt. The corresponding debit to credit bonds and mortgages, August 26, 1857, (3009,) $4,000 00, (S. C. Parkhurst in margin,) interest bonds and mortgages, $119 00, banking department is charged $4,119 00; same date in banking department is credited, S. C. Parkhurst loans, 141 00, 3,918 00, 60 00—$4,119 00. The corresponding debit, so far as I can trace it to credit bills discounted domestic, 3839, S. C. Parkhurst, $4,852 47-100, appear the figures $3,224 53, 319 30, 4,852 47; in the line below appear the figures 6,000, 2,017 83, 147 53.

I find that we charge in banking department same day, H. Pace, jr., $3,224 53; Hewson and Holmes, $319 30; J. Kebler, $600 00. These are the only debits I find on that day.

The corresponding debit to credit bills receivable 7th Sept., 1857, $5,000 (G. T. Stedman in margin,) and interest bills receivable, $158 50, banking department is charged $83 50; cert. dep. in trust, $5,000 00. (119 48, D. K. Este in margin.) Int. dep. in trust $75 00, same date in banking department, trust department is credited G. T. Stedman, (66 61, 16 89,) $83 50.

Same date in banking department, we debit D. K. Este, 66 61; Shaw, Carlile, and Stedman, 16 89—$83 50.

104 The corresponding debit to the credit bills receivable Sept. 5, 1857, (G. T. Stedman in margin,) $9,000 00, and interest bills receivable, $262 50; banking department is charged $9,262 50. Same date in banking department trust department is credited Geo. T. Stedman $9,262 50. Same date, in banking department trust department is credited Geo. T. Stedman $9,262 50. I find no corresponding debit.

The corresponding debit to credit bills discounted domestic G. T. Stedman, $3,000 00, there appears in the body: (231 46, 139 46, 440 56, N. Y., 860 00, 103 41, 900 00, 318 67, 644 00,) $3,000 00.

In banking department we debit on that date: Frank Alter, 231 46; Wood, agt., 139 46; Thayer, A. & Co., 440 56; N. Y. agency (60110,) 860 00; A. C. Van Dyke & Co., 103 41; T. S. Goodman & Co., 900 00; T. S. Goodman & Co., 318 7. I find no corresponding debit to $664 00. I will state here that we were allowing exchange of ¾ prem. on N. Y. checks.

The corresponding debit to credit, Sept. 8, 1857, bills receivable $4,500 00, and in bills receivable, $250 00, we debit b'k'g dept. $4,750 00. (In the margin in figures; 600 00, 1,000 00, 500 00, 500 00, 1,000 00, 1,000 00,) $4,600 00, (in right-hand, margin J. C. Wright.) Same day in b'k'g dept. we credit trust dept. J. C. Wright, (500 00, 1,000 00, 1,000 00, 150 00, 600 00, 1,000 00, 500 00,) $4,750 00. Same date in banking department, ch'ge, Merch. and M. Pittsburg, 1,000 00, 600 00, 500 00, 500 00, 1,000 00,

105 1,000 00.

We charge our N. Y. agency same day; C. Conaham's check, 500 00; Bomps & Oakes' check, 1,000 00. We also charge same day, T. S. Goodman & Co. $1,000 00; J. S. Law, 150 00.

The corresponding debit to credit 19th Sept., 1847, bills receivable $2,500. Jno. C. Wright, and int. bills rec'ble, $157 86-100, b'k'g dept. is charged, $2,657 86-100. (S. J. in right hand margin.) Same date in b'k'g dept. trust dept. is credited John C. Wright, $2,657 86-100. Same date in b'k'g dept. we debit, C. J. Wright, $2,657 86. The corresponding debit to credit bills receivable Sept. 11, 1857, (J. C. Wright in margin,) $4,000 00, secured by C. D. and H. R. R. stock, b'k'g dept. is charged $4,000 00. Same date in b'k'g dept. trust dept. is credited J. C. Wright, 7,500 00, $4,000 00. Same date we credit bills discounted domestic, (3732) J. C. Wright, $3,500 00. Same date we debit in b'k'g dept. N. Y. agency, Robb. Hallett and Co.'s check, $7,500 00. This is the only debit of that amount I find on that day.

The corresponding debit to credit bills rec'ble, $200 00, (J. C. Wright in margin,) banking department is charged $200 00. In banking dept. we charge same day, C. J. Wright $200 00, J. T. Molter, $200 00. The corresponding debit to credit 25 Sept., 1857, bills rec'ble, $5,000 00, Jno. C. Wright, and interest, bills rec'ble $87 50, (in margin policy of insurance life J. C. W.) (and the credit miscellaneous ac. $163 04, in the margin,) and M. Piatt settled net half premium—is premium life insurance, $5,250 54. I find

106 no corresponding debit to credit bills dis. domestic, Aug. 31, 1857, $1,500.

Adjourned until to-morrow, Tuesday, Sept. 18, 1860.

W. F. STRAUB, *Special Master.*

TUESDAY, *Sept.* 18, 1860.

Examination renewed:

Question 4th by same. In your answer to the last question you have given the entries as they stand in the books; please explain those entries as far as you understand them, and annex a detailed statement of the date and amount of each payment by each trustee, in the manner you have adopted in the case of Mr. Stetson, and also state whether the payments ap-

pear to have been made in cash, or by checks on the company, or how otherwise?

Further examination adjourned until to-morrow, Wednesday, Sept. 19, 1860, to enable witness to prepare his answers to last interrogatory.

Sept. 18, 1860.

W. F. STRAUB, *Special Master.*

SEPT. 19*th*, 1860.

Examination resumed:

Memo.—Defendants' counsel object to the question as asked, or that the witness state anything but the facts and not his understandings or conclusions drawn from the facts stated. Cyphers or signs, if any, he may explain if he knows them, subject to which the witness proceeds in his testimony as follows :

Answer. From the entries upon the books, as detailed in my answer to the 3d question, I would infer that the indebtedness of S. J. Broadwell was $10,000 00
To bills receivable 8,000 00
To interest do. do 143 50

$18,143 50

107 All which was paid on 26th August, 1857, in checks upon the company, being included in the charge to b'k'g dep't of that date of $26,299 05, which charge appears to be
E. Dexter & Son's check on N. Y. agency for $26,000 00
S. J. Broadwell's check 299 05

$26,299 05

George Crawford was indebted to bills receivable 5,000 00
Interest on do 145 83
Bonds and mortgages 5,000 00
Interest on do. do 81 33

10,227 16

On 8th Sept., 1857, there was paid to bills receivable :

G. Crawford's note $5,000 00
Interest on do 145, 83
Bonds and mort's, G. Crawford's note 5,000 00
Interest on do 81 33

$10,227 16

Which payment was made by charge

To trust dep't certificates $4,000 00
Interest on do. do 120 00
Charges to b'k'g dep't 1,025 83
Charges to b'k'g dep't 5,081 33

$10,227 16

The charge to b'k'g dep't of $1,025 83 is in figures. Geo. Crawford is charged same date, 145 83; Sarah Lewis is charged same date, 880 00.

The debit on b'k'g dep't of $5,081 33 is in figures: Geo. Crawford is charged same date, 82 09; W. S. Wright is charged same date, 2,000 00; W. S. Wright is charged same date, 699 24. No corresponding debit found.

Clement Dietrich was indebted to

Bills receivable		$5,000 00
	Interest on do	44 72
108	Bonds and mortgages	4,000 00
	Interest on do	46 66
Bills discounted, domestic		2,500 00
		$11,591 38

On the 7th Sept., 1857, there was paid

To bills rec'ble, C. Dietrich's note	5,000 00
Interest on do. do	44 72
Bonds and mortgages, C. Dietrich's note	4,000 00
Int. on do. do	46 66
Bills discounted, domestic, C. Dietrich's note	2,500 00
	$11,591 38

in the following manner:

Certif's deposited in trust, $435 00 ; interest on do., 15 67; b'k'g department, 8,640 70. By reference to the b'k'g dep't this item is made in figures: R. Kirby is charged same day, 3,000 00; do. do. do. do. 4,000 00; S. Fosdick, do. do., 65 00; F. Darr, do. do., 421 19; C. Dietrich, do. do., 429 75; W. S. Rosecrans, sup't, do., 100 00; do. do. do., 628 92.

C. Dietrick note, bills dis. domestic for $2,500 00, was paid 7th Sept., '57, by check of $2,800 00; the excess, $300 00, was placed to C. Dietrich's credit in banking dep't; upon same date we charge in same dep't. We charge Keys, Maltby & Co., 2,800 00.

C. G. Enyart was indebted to bills receivable		5,000 00
To interest on do		138 01
		$5,138 01

On the 29th August, 1857, there was paid

To bills rec'ble, E. G. Enyart			$3,391 46
109	On 1st September, 1857, there was also paid to same, acc't C. G. Enyart	$1,608 54	
To interest, do. do.		138 01	
			$1,746 55
			5,138 01

The b'k'g dep't, 29th August, 1857, is charged $3,391 46, which by reference is made up in figures believed to be bank notes. Clarke & Selfe, charged same date, $45 13; Cha's Miller, do. do., 96 10; Miller & Bro., do. do., 767 14; Sam'l Peel, do. do., 500 00; J. H. Davis, do., $200 00; S. G. Brigham, do., 200 00; Anna Bissell, do., 200 00; Andrew & Wilson, do., 1,000 00; Evans & Patterson, do., 1,000 00; S. S. Carpenter, do., 1,000 00; 636 60, 37 31, 4 03, 18 25, no corresponding charges found.

First Sept. 1857, banking dep't is charged; G. Phipps & Co. charged same date, $1,746 55.

Adjourned to Sept. 20, 1860.

W. F. STRAUB, *Special Master.*

SEPT. 20, 1860.

Examination resumed; witness proceeds with answer to 4th question, as follows:

Samuel Forrer was indebted to bills receivable, S. F.'s note	$10,000 00
Bonds and mortgages, do	2,000 00
Interest on do	25 28
	$12,025 28

109½ Sept. 14, 1857, there is a credit to bonds and mort's, S. F.'s note, 2,000 00; int. on do., 25 28, the same being delivered to Exchange Bank of Circleville, O., as part payment of balance due them.

S. B. Keyes was indebted to bills receivable, his note	$5,000 00
Do. do. do	10,000 00
Interest on do., last note	363 61
Bills dis., domestic	4,000 00
Individual deposits	3,185 21
	$22,548 82

Sept. 3, 1857, there is to credit bills rec'ble, S. B. Keyes' note	$10,000 00
Interest on do	363 61
Same day b'k'g dep't is charged: S. B. Keyes is charged same day	408 61
Keys, Maltby & Co. do	538 61
McKeehan & Evans, do	5,999 00

J. Snyder, do. do. $200 00; N. Y. agency, (6179,) do., 200 00; 60 00, 2,157 39, no corresponding charges found.

Sept. 15, 1857, bills rec'ble is credited S. B. Keyes' note	1,695 04
Same day charged to b'k'g dep't: S. B. Keyes, charged same day,	$1,695 04
Sept. 21, 1857, bills rec'ble is credited S. B. Keys	1,368 33

Charged as follows: cert's dep. in trust, $500 00; int. on do., 18 33; b'k'g dep't, 850 00.

110 B'k'g dep't charged: N. Y. ag'y, D. G. A. Davenport, treas'r, check, $100; do. do. do. 750 00.

August 28, 1857, there was paid to bills dis., domestic, S. B. K.'s note, $4,000 00; in b'k'g dep't we charge same day, G. Phipps & Co., $4,000 00; N. Y. ag'y, (6111,) (duplicate,) 4,000 00.

Dr. to deposites	3,185 21
Total cr	$20,612 19

On 9th Sept., 1857, deposites are credited S. B. Keys, $5,288 86, which cancels the charge of $3,185 21 in s'd acc't.

G. Luckey was indebted to bills rec'ble, his note	$4,500 00
Bonds and mort's, his note	9,500 00
Int. do. do	278 20
Bills discounted, domestic, do	2,800 00
Do. do. do.	5,000 00
	$22,078 20

August 29, 1857, there was paid to bonds and mort's G. Luckey's note, $5,000; b'k'g dep't same day charged T. Spooner, clerk, same day $5,000 00

Sept. 1st, 1857, there is paid to
Bonds and mort's, G. Luckey..... $4, 500 00
Int. on do. do. do..... 278 20
Bills dis. domestic, dr..... 2, 800 00
7, 578 20

These are paid:
J. Rawson & Co., by cert. in trust dep't, $10, 000; int. on do., 94 25.
Aug. 28, 1857, there was paid to
Bills dis. domestic, G. Luckey's note..... $5, 000 00
Bills rec'ble, do..... 1, 200 00
6, 200 00

111 I was not able to trace these two last payments.
Sept. 11, 1857, there was paid, to bills rec'ble G. L.'s note. 428 37

Total cr..... 19, 206 57

B'k'g dep't charged G. Seizer, same day..... $375 00
G. M. Luckey charged do. 16 64
G. Luckey do. do. 36 73
428 37

S. Fosdick was indebted to bills dis. domestic his note, $10,000.
August 31, 1857, there was paid to bills dis. domestic S. F's note, $10,000.
I cannot trace the payment.
S. C. Parkhurst was indebted to bills rec'ble his note..... $4, 000 00
Ins. on do. do. do..... 68 44
Bonds and mort's, do. do..... 4, 000 00
Int. on do. do..... 119 00
Bills dis. domes, do..... 5, 000 00
$13, 187 44

August 26, 1857, there was paid, to bonds and mort's, S. C. P.... $4, 000 00
Interest on do., $119. ..... 119 00
B'k'g dep't charged: J. C. Fiedeldy charged same day, $3,918 00;
R. Fletcher, 60 00. 141, no corresponding debit found.
Sept 5, 1857, there was paid to bills rec'ble S. C. P..... $2, 759 25
6, 878 25

B'k'g dep't was charged: J. Rawson & Co., same day,
charged..... $2, 759 25
112 Sept. 7, 1857, there was paid to bills receivable S. C. P.. 1, 240 75
Interest..... 68 44
(Same day b'k'g dep't is charged $1,309 19, the particulars of which I cannot trace.)
Same day bills discounted domestic is credited S. C. P.. 4, 852 47
147 53
$5, 000 00
13, 187 44

As by the following figures:
Hewson & Holmes charged same day, 319 30; H. Pace, jr., charged, same

day, 3,224 53; J. Kebler, 600 00; 2,017 89, no corresponding charge found.

G. T. Stedman was indebted, to bills rec'ble his note	$5,000 00
Interest on do	158 50
Bills rec'ble, do	9,000 00
Interest do	262 50
Bills dis. domes., do	3,000 00
	$17,421 00

On Sept. 5, 1857, there was paid to bills rec'ble G. T. S. note	$9,000 00
Interest on do. do	262 50

Charged to b'k'g dep't, but no corresponding charge found, $9,262 50.

On Sept. 7, 1857, there was paid to bills rec'ble G. T. Stedman's note	5,000 00
Interest do., do	158 50

In the following manner:

Cert. dep. in trust	$5,000 00	
Int. do. do	75 00	
B'k'g dep't charged: D. K. Este charged	66 61	
Shaw, Carlile & Stedman	16 89	
	$5,158 50	

113	Sept. 1, 1857, there was paid, to bills disc. domes G. T. S.'s note	$3,000 00
	Total cr	$17,421 00

In b'k'g dep't charged, A. C. Van Dyke & Co., 103 41; T. S. Goodman & Co., 900 00; Do., 318 67; Frank Alter, 234 46; Seeley Wood, ag't, 139 46; Thayer, A. & Co., 440 56; N. Y. ag'y, (6100,) 860 00; supposed to be exchange, 6 44.

J. C. Wright was indebted: To bills rec'ble, his note	$4,000 00
Int. on do	155 56
Bills rec'ble do. do	500 00
Int. on do	18 85
Bills rec'ble, his note	2,000 00
Do. do	500 00
Int. on do	70 48
Bills rec'ble do	4,200 00
Int. do	87 38
Bills rec'ble do	5,000 00
Int	87 50
Bills dis. domestic do	1,500 00
Do. do	3,500 00
	$21,619 77

Sept. 8, 1857, there was paid to bills rec'ble J. C. W.'s notes	4,500 00
Int. do	250 00

B'k'g dep't charged: T. S. Goodman & Co. charged, same day, 1,000 00; J. S. Law, do. do., 150 00; M. and M. B'k,

114 Pittsburg, do., 600 00; M. and M. do. do., 1,000 00; do. do., 1,000 00; do. do., 1,000 00; do. do., 500 00; N. Y. ag'y, Borup and Oakes, ch'k, 1,000 00.

On 11 Sept. there was paid to bills rec'ble, J. C. W.'s note.....	4,000 00
B'k'g dep't, same day, charged $4,000 00; no corresponding charge.	
Bills dis., domestic, is credited same date.....	3,500 00
	12,250 00
Same date N. Y. ag'y is charged $7,500 00.	
Sept. 19, there was paid to bills rec'ble J. C. W.'s note.....	2,500 00
Interest, do.....	157 86
B'k'g dep't charged, same day, C. Wright $2,657 86.	
Sept. 16, 1857, there was paid to bills rec'ble, J. C. W.....	200 00
B'k'g dep't, same day, charged C. Wright $200 00; J. F. Nolter 200 00.	
Sept. 25, paid (there was) to bills rec'ble, J. C. W.....	5,000 00
Interest, do.....	87 50
Premium Life Insurance Company was charged, same day, $5,250 54.	
August 31, 1859, there was paid to bills dis., domes., J. C. W..	1,500 00
Total cr.....	21,695 36

No corresponding charge found.

115 N. Wright was indebted to bills rec'ble, his note.....	14,000 00
Interest, do. do.	108 89
Bills rec'ble, do. do.	5,000 00
Interest bills rec'ble.....	332 08
Bills dis., domes., do.....	1,500 00
Do. do.....	1,000 00
	$21,640 97
Aug. 27, there was paid to bills rec'ble, N. W.'s note.....	14,000 00
Int., do. do.	108 89
	14,108 89

Which were paid by cert. trust, Rawson & Co., 18,775; int. on do. 272 62; the excess, $4,938 73, credited to Rawson & Co.

Same day bills dis., domes., were credited.....	1,500 00
B'k'g dep't, H. C. Lord charged, same day, 159 40; W. W. Menill, ag't, charged 1,340 60.	
Same day, same acc't.....	1,000 00
B'k'g dep't, Lord & Wright, same day, charged 30 00; D. E. Gibbons, ag't, charged 779 60; 190 40, no corresponding charge found.	
Sept. 3, 1857, there was paid to bills rec'ble, N. W.'s note.....	1,723 70
In following manner: cert. in trust, 550 00; int. on do., 12 99; b'k'g dept. charged $1,160 71; N. Wright, on same day, $103 71; N. Wright, jr., same day, 957 00; Hewson & Holmes, same	
116 day, 100 00; Elizabeth Harvey, same day, 100 00; E. Pat-	

terson, same day, 100 00; J. J. Kirby, same day, 100 00.
Sept. 7, 1857, there was paid to bills rec'ble, N. Wright's note.. 3,276 30
Int., do..... 32 08
B'k'g dep't charged: W. W. Watson, same day, 676 81; Gilmore & Brotherton, 1,353 50; N. Wright, 132 99; J. W. Kirk, 891 58; Phœbe S. Livingston, 253 50.

21,640 97

Adjourned to Sept. 21st, Friday.

W. F. STRAUB, *Special Master.*

SEPT. 21, 1860.

Examination resumed.

Question 5th, by same, In your statement of the indebtedness of the trustees you have, in some instances, stated the respective sums at their credit in the banking department. Are we to understand that these were the sums at their credit as depositors? If so, do they remain at their credit? or, if not, state when they were paid or settled and in what way, as shown by the books?

Mem.—Def'ts' counsel object to above question in manner and form as to the former ones.

Adjourned to Saturday, Sept. 22, 1860.

W. F. STRAUB, *Special Master.*

SEPT. 22, 1860.

Examination resumed.

Witness proceeded, subject to said objection, to answer last interrogatory, as follows:

The several amounts stated as to credit in the banking department
117 to the respective persons, say S. J. Broadwell, $156 23; George Crawford, 282 89; C. Dietrich, 129 75; G. Luckey, 39 98; J. C. Wright, 237 14; N. Wright, 538 36, was to their credit as depositors, and the same have been paid as follows: S. J. Broadwell included in his check of August 28, 1857, for $299 05. George Crawford included in his check of Sept. 8, 1857, for $82 09 and $145 83, leaving still to his credit $54 97. C. Dietrich included in his check, Sept. 7, 1857, of $429 75. G. Luckey's included in his check, Aug. 28, 1857, of $198 17. N. Wright's included in his checks, Sept. 1, 1857, of $434 65, Sept. 3d, $103 71. J. C. Wright's included in his check, August 18th, '57, of $593 50.

Question 6th by same. Had any other of the trustees credits in banking department besides those already specified? If so, give the names and amounts as they appear on the books.

Mem.—Def'ts' counsel object to above question in manner and form as to former ones.

Subject to such objection witness proceeds to answer last interrogatory:

Answer. None other to my knowledge, or as shown on the books.

Question 7th, by same. Have you any knowledge as to any indebtedness of any of the trustees heretofore named to the company at the date of suspension, in addition to the several sums hereinbefore set forth? If yea, state the particulars.

Mem.—Def'ts' counsel object to above in manner and form as before set forth.

Answer. I would here state that my answers to all the previous questions have been based upon examination of the books as kept in Cincinnati; upon

the books in New York City there appeared: To the debit of Samuel Fosdick, $716 08 unsettled and disputed; to the debit of C. Dietrich,
118 $1,500, settled; do. do. S. B. Keyes, $3,878 48 do.; do. do. C. Stetson, 3,027 78, all paid but about $200; C. G. Enyart, $250, paid.

Question 8th, by same. Had any other of the trustees credits in the banking department besides those already specified? If so, please give the names and amounts as they appear on the books.

Mem.—Def'ts' counsel object to last question in manner and form as to preceding ones.

Answer. There was to the credit of Samuel E. Foote, on the 24th August, 1857, on books of Cincinnati office, the sum of four thousand six hundred seventy-nine and 95, ($4,679 95.) When I made answer to question 6th, in substance as above, Mr. Foote's credit herein shown had escaped my recollection for the time. Mr. Foote's credit has been arranged by Mr. Kilbreth, trustee, in settlement of a note of $5,000, held against him in New York office.

Adjourned to Monday, Sept. 24th, 1860.

W. F. STRAUB, *Special Master.*

MONDAY, *Sept.* 24, 1860.

Examination of Mr. Bishop resumed.

Question 9th, by same. In your answer to the 2d question you say that Mr. Stetson being absent from the city he requested you to liquidate his indebtedness. Please state on what day Mr. Stetson left the city, and how long he was absent.

Mem.—Def'ts' counsel object generally to above question subject to which witness proceeds as follows:

Answer. Mr. Stetson left here on the evening of August 21st, 1857, or the morning of Aug. 22d. My impression is it was the morning of the 22nd. He was absent from the city from that time until the latter part of November—the last week—1857.

119 Question 10th, by same. When did Mr. Stetson request you to liquidate his indebtedness, and was the request made verbally or by letter? If by letter, please produce the same.

Mem.—Def'ts' counsel object generally to above, subject to which witness proceeds as follows.

Examination adjourned till to-morrow, 25th, to enable witness to prepare answer to above.

W. F. STRAUB, *Special Master.*

TUESDAY, 25*th Sept.*, 1860.

Examination resumed.

Witness proceeds to answer last interrogatory as follows:

Answer. The request of Mr. Stetson for me to liquidate his indebtedness, made by letter, addressed to me from New York, under date of Sept. 4, 1857, a true copy of which said letter, marked Exhibit A, is hereto attached, and also a true copy of a letter from C. Stettson, pres't, to me as cashier, under date of Sept., 1857, also written from New York, and which may serve to explain the other, which said last-mentioned letter, marked Exhibit B, is also hereto attached, and both made part of this deposition.

Question 11, by same. Did you keep an account of your agency for Mr. Stetson in this transaction? If so, please exhibit the same or a copy thereof?

Mem.—Def'ts' counsel object generally to this question as before, subject to which witness proceeds with his answer:

Answer. I kept no account between Mr. Stetson and myself in this business, with the exception of the negotiations with J. Carter hereafter referred to in this answer, and I think some of those with Mr. Lyell, and those with Gilmore, of Gilmore & Brotherton, the Oak Ridge Furnace Co. transfer, all of which negotiations I made personally. The entire balance of the negotiations were made by me through the agency of A. G. Burt, broker, this city. I never, as said agent for Mr. Stetson, paid
119½ said Burt any commissions for his services. I do not remember whether I gave Burt a schedule showing number and value of securities which I wished him to sell for checks on the company, or whether I only notified him from time to time (for I saw him frequently) that I wished him to negotiate for the several amounts of the securities held; and as he made returns for such securities, the same were applied upon the indebtedness of C. Stetson by deposit to his credit in the banking department, or applied upon some particular note, without passing through the deposit acc't of said Stetson. Mr. Burt never rendered me an account current, nor any account, further than the delivery from time to time of proceeds of negotiations of his transactions in this behalf. I ought to say further that the securities for the indebtedness, so cancelled, were placed by me in an envelope, and sent to house of C. Stetson. My impression is that I did this after the assignment. The following is the record which I made up of the transaction, and which I presented to Mr. Stetson some time during the winter or spring of '58. The numbers attached at extreme left of sheet to items following are now added for ready reference. The left-hand column denotes the securities belonging to Mr. Stetson, and includes as well stock, cash and checks and the names of parties from whom I received same. The middle column (figures) denotes the value of the face of said securities, and the right-hand column (also figures) shows the amounts realized on same.

120	No. 1. Cincinnati Insurance Company..	$5, 000 00	6, 250 00
	No. 2. J. P. Jackson	1, 751 67	2, 188 75
No. 3.	Do. do.	900 00	1, 075 00
4.	Campbell, E. & Co., $400 14—$100.....		300 14
5.	Cincinnati College.....	500 00	503 83
6.	Charlotte Cushman	2, 500 00	4, 950 00
7.	Cincinnati College	500 00	500 00
8.	Oak Ridge Furnace Co.	830 91	830 91
9.	J. Carter, bal.....	10, 500 00	10, 500 00
10.	Cincinnati College.....	150 00	152 30
11.	J. Carter.....	17, 500 00	17, 500 00
12.	J. Gilmore.....	4, 000 00	5, 000 00
13.	J. Lyell, $5, 714 30—$461 97.....	5, 000 00	6, 176 27
14.	....	1, 267 95	1, 267 95
15.	Salary.....	333 34	603 34
16.	Washington Insurance Comp'y.....	800 00	1, 000 00
17.	Fuel Comp'y	50 00	62 50
18.	Little Miami R. R. Co.....	1, 100 00	1, 700 00
19.	C. and Indianapolis R. R.....	3, 850 00	3, 080 00
		51, 553 00	57, 390 99
20.	Fuel Co. stock	50 00	50 00
		56, 583 87	63, 690 99

RECAPITULATION.

No. 1.

Cincinnati Insurance Co. stock, for which was rec'd Jas. Lyells' ch'k, Sept. 9, '57, on N. Y., ... $6,250 00

No. 2.

Rents rec'd from J. P. Jackson, in cash, $1,721 67, with which was purchased :

Sept. 7, '57.	Check of J. H. English.....	$50, 00	
Sept. 7, '57.	" " E. B. Harris	415 63	
" "	" " b 114 N. Y.	1, 000 00	
	Then there is following in figures, thus....	581, 60	
	And	1, 000 00	
121	Which two last items I cannot trace and all which is extended in ledger as.....		2, 188 75
	Rents rec'd from J. P. Jackson in cash $900, with which was purchased:		
	Bank notes	$25, 00	
Sept. 7.	Check of G. W. Rice	195, 00	
"	" " J. Lyell on N. Y.....	753, 56	
"	" " ———	101, 44	
			1, 075 00
	Which last I cannot trace.		
	Cambell & Co. What was purchased witht this am't, $400 14, I cannot trace. Of said am't, however, I gave $100 00 to Mrs. Stetson		300 14
	Cincinnati College bonds, $500 00. I do not know what was purchased with this sum ; cannot trace it,		503 83
	Charlotte Cushman, bank notes, $2, 500 00, with which was purchased :		
Sept. 17.	Check of J. Lyell on N. Y.....	$4, 863 25	
"	Supposed to be my check.....	50 00	
	Exchange on J. Lyell's check.....	36 75	
		4, 950 00	4, 950 00

No. 7.

	Cincinnati College bond, $500 00.		
Sept. 17.	On this day I find T. S. Goodman's check for same am't, which I suppose to be in payment of col. bond above.....		500 00
Sept. 18.	Oak Ridge Furnace Co. (trans. bal. ac.) $830 91		830 91
" 19.	J. Carter & Co., check on N. Y.	$10, 500 00	
" 8.	Do. do. do	17 500 00	
			28, 000 00
	For these last two items a note and mort. was given, J. Carter & Co., by C. Stetson, for $24,000 00, at 3 y'rs, 8 per cent. int., payable semi-annually.		
122	Cincinnati College bond, $150 00.		
" 19.	I find on this day D. G. A. Davenport's check on N. Y. for.....	77 30	
	And check for.....	75 00	
			152 30

Which last I cannot trace.
J. Gilmore Stetson note, $4, 000 00.
9. This note was transferred to Gilmore & B'ther, extending time 3 y'rs, and rec'd for same their checks for. 5, 000 00
J. Lyell, I think this was for two promissory notes of C. S. for, in all, $5, 000 00.
Sept. 9. I find on this day credited check of J. Lyell on
N. Y..... $5, 714 30
" " C., H. & D. R. R..... 461, 97
6, 176 27
Blank, $1, 267 95.
Sept. 12. I find on this day check of J. Lyell 1,875 00; of this am't $1, 267 95 is credited to C. Stetson, and the balance, $607 05, credited to J. Lyell..... 1, 267 95
For what this check was given I am not able to state.
Salary, $333 34.
Sept. 18. On this day I find check..... 250 00
Do..... 300 00
Do..... 3 34
Do., supposed b'k notes..... 50 00
603 34
Wash'n Ins., Co., stock, $800 00.
Sept. 22. On this day I find check of T. S. Goodman & Co., $1,000 00, supposed to be proceeds of above stock. 1, 000 00
Fuel Co. stock, $50 00.
This day I find check of Kirk & Cheever for 62 50, supposed to be the proceeds of said stock.....
Little Miami RR. Co. stock..... $1, 100 00
Sept. 22. This day I find ch'k of A. G. Burt & Co., $1,700 00
123 supposed to be proceeds of said stock..... 1, 700 00
Cin'ti and In'polis RR. Co. stock, $3,850 00.
Sept. 23. This day I find A. G. Burt & Co.'s ch'k for $3,040 00, which I suppose is part of am't received for said stock..... 3, 880 00
The balance of $40 00, I cannot account for.
Fuel Co.'s stock $50 00; this I cannot trace. 50 00

I would further state, in answer to above, that all the proceeds received from securities as above stated were applied to the payment of the indebtedness of Mr. S. to the company; and that I cannot account for the excess of receipts from securities over and above the actual amount of his indebtedness and actual amount of payments to company as set forth in my answers to previous questions, and for the reason that I kept no account (save that just given) of the transaction, having handed over to Mr. S. as before stated, the securities &c., lifted.

Adjourned to Wednesday, Sept. 26.

W. F. STRAUB, *Special Master.*

SEPT. 26, 1860.

Examination of W. Bishop resumed.

Question 12th by same. Please produce your correspondence with Mr. Stetson, if you had any concerning this business of liquidating his liabilities, that is to say, his letters to you, and copies of your letters to him.

Mem.—Def'ts' counsel object generally to above question as to former ones, subject to which witness proceeds with his answer.

Answer. I have already given you copies of two letters of this corre-

spondence, marked Exhibits A and B. The following are true copies of Mr. Stetson's letters to myself, and include all he sent me in this business save the two above referred to.

124 [Copy.] SAT., 5 *Sep.*, 1857.

DEAR BISHOP: I wrote you yesterday respecting your making some arrangement with Mr. Carter in reference to taking up my loans with trust co.

I have in trust co. dep. note 15,000 and int., say	18,000 00
H. Vose " " note	5,000 00
My own note on Albro lot	2,000 00
In banking dep't on same property	3,000 00
	$28,000 00

Yesterday I said I was willing to give Mr. Carter a mortgage for $24,000 on my house, on receiving $3,000 of obligations of trust co. I am now willing to take $28,000 if nothing better can be done with him, interest at 7 per cent. If he won't do this and will on pay't of 8 per cent., then close in that way. I want to learn from you the am't O. R. F. Co. owe Miss Cushman, as she is expected here very soon, also the balance at her credit with trust co. What a fortunate thing that I loaned her money to Oak R. F. Co.; we little supposed that it would result in saving the loan. I hand you enclosed order on Albro for ground rent on the lot I leased him; Mr. Longworth assured me he would pay it some month or two ago; if he has any good notes take them in pay't, if Longworth indorses them. I cannot learn that anything is doing here in the way of sale of checks in trust co. The only way would be to get money for your stocks if they will bring anything and then purchase the checks. I saw Perkins here this moning in search of a piece of your paper. I regret that you should not have made it payable at home instead of here. Your kind letters of the 2d are at hand, for which accept my hearty thanks. I have given a letter to Mr. Boruss, of the house of Boruss & Oakes, St. Paul. This house are sufferers to the tune of
125 $36,949 80, and he visits your place to see what he can do in the way of disposing of his claims. It may be that you can do something for me with him; the poor fellow is almost heart broken, as are many others here about this time.

Yours truly,
(Signed) C. STETSON.

Ask Mr. Rice to send us a list of stockholders to compare with and see if all is right. We have no doubt but it is all right, still we want to prove it.
(Signed) C. S.

The above letter was written from New York City, as were all the rest following.

[Copy.] THURSDAY, 4 *o'clock p. m., N. York, Sept.* 10, 1857.

DEAR BISHOP: I am this moment in receipt of yours of the 8th inst., covering a mortgage for $24,000 to J. Carter, and a note, same amount, pay'l 3 y'rs 8 Sept., 1857, inst., at 8 per cent. I have signed the mortgage and note, and you will find them within. You will please apply the $28,000 rec'd to my indebtedness in trust department, trust co., withdrawing the securities. I have there deposited, say mort'e on house and int., about $18, 000
H. Vose, note, collateral, Merch. Bank stock, $5,000, say..... 5, 200
Note of $2,000 secured on Albro lot..... 2, 000
Balance on my note $3,000, in b'k dept., say..... ..... 2, 800
28, 000

I must confide in you and Mr. Dutton to see that all is done right. I have to request you will hand the enclosed note to Mr. Dutton, who will see Mrs. Stetson.

In haste, y'rs,
(Signed) C. STETSON.

[Copy.] N. YORK, *Friday, 11th Sept.*, 1857.

MY DEAR FRIEND: I rec'd yesterday from you a mort'ge and note in favor of Mr. Carter, $24,000, pay'l in 3 y'rs with interest, which I executed and sent you by mail leaving this morning. I supposed the amount to be rec'd from Mr. Carter, $28,000, would be applied as I desired when I first wrote you to make the loan—

126 1st. To take up my note in trust dept., $15,000, and int. on do., say..... $18,000
2d. Note, H. Vose, coll. security, Merch. B'k stock, $5,000, say.... 5,200
3d. Note of mine in trust dept..... 2,000
4th. " $3,000 bank do., bal..... 2,800

28,000

These two last notes secured by mort'ge on Albro lot.

This morning I have received yours of the 8th, in which you say you have agreed with Mr. Lyell for my two notes of $2,000 and $3,000, which are those above noted. I cannot fathom all this. Do, pray, give me some further information. In reference to matters concerning the office here, I have nothing good or favorable to report, and when we shall see the bottom of this nefarious is more than I or any one else can tell.

Y'rs,
(Signed) C. STETSON.

[Copy.] N. YORK, *Monday Sept.* 14, 1857.

MY DEAR BISHOP: I am under great obligation to you for the important services already rendered me during my absence from home, and I deeply regret it is not in my power to aid you here in the disposal of some of your stocks, so that you could avail of the occasion to purchase in trust claims, in order to liquidate claims against you. I am very desirous to avail myself of the present reduced value of trust co. checks with you, to purchase some of them in order to discharge my existing obligations to the co. in banking dept. You have as collateral $5,000 stock Cin. Ins. Co.; also $800 stock Washington Ins. Co., $15,00 college bonds, $10,000 stock in Zanesville and Wilmington RR. Co. Now, I wish you, together with Mr. Fosdick, would take these traps and obtain for them as large an amount of trust comp.'s checks as you can, and credit my ac. in bank therefor. I leave all to your good judgment. I would urge upon you as much speed as is possible in converting the above effects, for I am apprehensive that
127 you may at home become so restive in not receiving a statement from us that you may feel compelled to enter into an assignment; but I hope this may be averted. I should think you might find some one to give you $2,500 or $3,000 in trust ch'ks for the Zanesville and Wilmington stock; but I place no limits on it. I think you can deal with Andy Burt for it. I hand you enclosed a check, which you can fill up for exact am't due Miss Cushman, and have the same credited to my ac. in banking department. I will arrange with her. I enclose power of att'y to sell and transfer the stocks before named. If you have not the collaterals I have named you will find them in the left hand lower drawer, opposite side of the desk I have used

in trustees' room. There is also some Marietta R. road stock in said drawer. Use that also if you can.

Y'rs truly,

(Signed) C. STETSON.

P. S.—Say to Mr. Fosdick that I have not forgotten his D. Dows & Co. $2,897 95. I am pursuing the proper measures to obtain and hope to get it before the mail closes to-day at 3. If so, will advise him.

(Signed) C. S.

I cannot urge upon you too strongly to do what is to be done for me at once.

(Signed) C. S.

[Copy.] NEW YORK, 11 *Sep.*, 1857.

DEAR BISHOP: I am this moment in rec't of yours of the 7th. If I understand it right you say you have received of J. P. Jackson for rents in July and Aug., 6,751 67; proceeds of same in trust co. c'k, $2,188 75. I do not see with what propriety Jackson could pay me off in a trust co. c'k, unless he had deposited the money in good faith in the trust co. rec'd before its suspension. He has been in the habit of depositing with Smead; not by my orders, however. Wherever he places the collections it must be at 128 his risk. I want whatever funds you collect for me to remain in your possession; I mean under your entire control. I feel anxious to learn that you have made some arrangements for me as to my obligations in the trust dept. On rec't please state what the am't due to Miss Cushman is on the trust co.'s books. Pray write me on rec't.

Yours truly,

(Signed) C. STETSON.

I entreat of you that my obligations to the company shall not be disposed of till I come home. See Mr. Fosdick on this.

C. S.

The entire July and Aug't rents were due me. So say to Mr. Jackson.

[Copy.] OFFICE OF THE O. L. INS. AND TRUST CO., *New York, Sep.* 9, 1857.

DEAR B.: Y'rs of 5th rec'd. Whatever funds you collect of mine for rents or otherwise, I wish you to hold on to, and not part with them for any purpose, except paying over to Mrs. Stetson, or as I will advise in future. If you are able to carry out such an arrangement for me as I suggested by my giving mortgage on my house; that, if done, I wish applied to my indebtedness in trust dept., as already stated. I have no time to add.

Y'rs,

(Signed) C. STETSON.

S. P. BISHOP.

[Copy.] WEDNESDAY, 16 *Sep.*, 1857.

DEAR BISHOP: I am this moment in receipt of your two favors of 12 inst. I have signed the notes you sent me in favor of James L. Lyell—2,000 and $3,000. I had supposed that the $28,000 was applied as follows:

To my note 15,000 in trust dep't, and int. on do.....	18,000 00
H. Vose note, and int.....	5,000 00
Then to my two notes—$2,000 in trust, and 3,000 in y'r dep't— (secured on Albro lot).....	5,000 00
	$28,000 00

I suppose I did not estimate rightly, as you now hand me the above notes to sign. However, you know all about it, and trust to your good
129 judgment. With my other traps in desk drawer you will find a certif. of Marietta RR. stock; this you may sell or exchange for c'ks on trust co.'s ch'ks, and apply to my indebtedness in bank dep't trust. I have no time to add.

Y'rs,

(Signed) C. STETSON.

[Copy.] NEW YORK, *Sep.* 17, 1857.

DEAR SIR: I have this morning rec'd yours of 14th inst. respecting the mortgages to Mr. Felton and H. Vose. The last named can be cancelled at once on Mr. Dutton's calling upon her at my house. If Mr. Dutton will go to my house my wife will hand him a box, which is in my chamber closet, in which is the mortgage to Felton, with his signature, in blank. Over this a cancellation can be made, thus clearing up the whole matter. Please send immediately on rec't the enclosed letters.

Yr's,

(Signed) C. STETSON.

S. P. BISHOP, Cincinnati.

[Copy.] SEP. 18, 1857.

DEAR BISHOP: In my drawer desk, opposite to where I sat, there is a certif. L. Miami stock. If, after you have disposed of other matters you still require more to cancel my ac. with the trust co., take this and sell it. If any of those other matters cannot be converted, go on and dispose of them, so as to clear me out of trust co.

Yr's,

(Signed) C. STETSON.

[Copy.] NEW YORK, *Sep.* 19, '57.

DEAR SIR: I have a letter from Longworth, which I have answered by this mail. The postscript interests me the most. I conclude he alludes to my indebtedness in b'kg dep't—the old affair arranged in 1855, just before I went abroad. I scarcely know how matters stand in reference to what has been done in liquidating claims of trust co. against me by you. I put on the other side a memo. as near as I can judge. I suppose you arranged
130 for my notes with Lyell ($6,250) without any mortgage; if so, I presume the Albro property is free. If I am right in this, perhaps you can arrange with Longworth to give him the Albro property for 8,000 or $9,000 of checks on the trust co., and apply that to my indebtednes; $9,000 at 75 would be $6,750. The property is 40 ft. by 120, subject to lease to Albro. I suppose Albro has passed to Longworth, long ago, all his interest in the lease. If nothing better can be done, take $8,000 trust ch'ks, or even $7,000. It may be that you have disposed of some of my assets, and reduced my debt to such a figure as that I shall not require so much as I have named above to pay the trust co.; of course you will negotiate for no more checks of trust co. than will pay off what I owe. On reflection, I think $7,000 in checks too low; $8,000 at 75c. would be $6,000, and the lot is really worth $200 per foot. Do, however, as you think best, and I will be satisfied. I enclose you the Longworth letter before referred to. I have written in such a hurried manner (forty persons at my elbow) that I have not time even to read it. I hope you can find it out.

Y'rs, ever truly,

(Signed) C. STETSON.

Debits in trust dep't:	
Note in trust co. 15,000, and int. 3,000	18,000
" of H. Vose, say	5,000
" " Albro, "	2,000
Dis. in bank dep't, Albro note	3,000
Other claims in b'k dep't	23,000
Total, say	$51,000

Against this I put—	
Carter am't	28,000
Lyell	6,250
Amt. you purchased from Jackson—rent funds	2,200
131 C. Cushman check	2,500
	38,950
Leaving, say, unadjusted	12,050
	51,000

There was enclosed in preceding letter the one from Mr. Longworth above referred to. Its superscription is, "Mr. Charles Stetson, New York City." The following is a copy of the same:

[Copy.] CINCINNATI, *Sept.* 16, 1857.

DEAR SIR: Jerseymen is not to be trusted if they are great losers of money. About three months since I took a draft from Robert Creighton for about 1,500 at 90 days, payable at your office, which I have no recollection of. I supposed I had sent it to my nephew in Newark, N. J., and wrote him about it some weeks since. He had not rec'd it. Mr. Bishop tells me it was not disc'd here. I expect it was lost or mislaid. It was due within the last few days. Has such a paper been in the bank in Gotham? I wish I could get a hint of the reliability of deposits in the trust dep't. I have upwards of $12,000 there now I believe. I shall risk selling a palace for $11,000 more, holding you responsible, of course, for all trust co. claims. All well. A crowd at your friend Smead's. He is deranged, and gone to a watering-place.

Truly y'rs,

(Signed) N. LONGWORTH.

P. S.—If you will give me a hint, I will relieve you from the $23,000.

[Copy.] WEDNESDAY, *New York*, 23 *Sep.*, 1857.

DEAR SIR: In my telegraph to-day I said sell my Ind. & Cin. R. road stock, if necessary, to make out the purchase of checks to pay my debts to trust co.; this I now confirm. I am truly grateful for the trouble you have taken in my behalf, and hope I may some day render you some service
132 which may partially cancel the obligation. I suppose matters stand about in this form:

Dr. Note 15,000 and int. in trust dep't		18,000 00
Vose		5,000 00
Note, Albro lot, trust	2,000	
" " bank	3,000	
		5,000 00
		$28,000 00

This the Carter check will cancel.

Dr. in b'k dep't, say		23, 000 00
Lyell's ch'k	6, 250	
Cushman	2, 500	
Ch'k you purchased with money of Mr. Jackson	2, 200	
Am't reported by you	5, 400	
	16, 350	
Balance, say	6, 650	
		$23, 000 00

All I have to say is, make the best arrangements you can, with my traps to pay off trust co. debt, and I shall be satisfied. Mr. Lord, who lent Ludlow $10,000 a few days before the suspension, got me to write a letter for him a few days ago, sending out to you the claim. This you have, no doubt, received. Perhaps from this claim you may get something for me, should you not have completed the same when this comes to hand. I have no time to add. Y'rs truly,

(Signed) C. STETSON.

I have not the telegraphic dispatch mentioned above. I kept no copies of my own correspondence with Mr. Stetson.

Adjourned to Saturday, Sept. 29, '60.

W. F. STRAUB, *S. Master.*

Saturday, Sept. 29th. Adjourned to Oct. 1st, 1860.

W. F. STRAUB, *S. Master.*

133 MONDAY, *Oct.* 1, 1860.

Examination resumed.

Question 13, by same. Who acted as clerk or secretary of the board of trustees from the 24th August, 1857, to the 26th September following?

Mem.—Def'ts' counsel object generally to this question as to former ones, subject to which Mr. Bishop, the witness, proceeds with his answer.

Answer. George W. Rice, who was the secretary of the company, acted as such clerk or secretary. In the absence of Mr. Rice, Mr. Samuel J. Broadwell acted as secretary *pro tem.*

Question 14th, by same. Is the journal or minutes of the board of trustees for that period now in this office?

Mem.—Def'ts' counsel object generally to above question, subject to which witness answers thus:

Answer. It is.

Adjourned.

W. F. STRAUB, *Special Master.*

FRIDAY, *November* 30, 1860.

Counsel for defendants having furnished interrogatories, by way of cross-examination, Mr. Bishop proceeds with his testimony, in answer to said interrogatories as follows:

Question 1st, by Worthington & Mathews, solicitors for defendants. In your answer to question No. 2, by complainants, you speak of an account in the individual ledger, in your name thus: "S. P. Bishop, assistant cashier for C. Stetson." Please state what knowledge the trustees or any of them had of that account or that entry. Please also state what was your duty under the by-laws as to such accounts or over-drafts by trustees and others, and refer to the by-laws and make it a part of your testimony. Please also state whether you reported to the board of trustees the over-drafts, if any,

of the several trustees, at or after the suspension in August, 1857.
134 Please also state whether the trustees, as a board or otherwise, took cognizance of their private accounts in either of the departments of the company, except when reported by you or other proper officer, as required by the by-laws.

Answer. I am not aware that any of the trustees had any knowledge that there was such an account in the individual ledger, as the one named in my answer to complainants' question No. 2, as S. P. Bishop, ass't cashier for C. Stetson In reply to the second clause of the question, I would say that the office I held was that of assistant cashier, and as such performed in Cincinnati the duties of cashier. The duties of cashier of the company are prescribed in the printed by-laws of company, article 7th, which reads as follows: "It shall be the duty of the cashier to countersign all bills or notes designed for circulation, agreeably to the orders of the board; carefully to observe the conduct of all persons employed under him, and report to the board all such instances of neglect, incapacity, or bad conduct, as he may discover in any of them, daily to examine the settlement of the cash account of the banking department, take charge of the cash, and whenever the actual amount materially disagrees with the cash account, to report the same without delay to the president and trustees; to lay before them on every account day a general statement of the accounts of this department; attend all meetings of the board held on business relating to the banking department, give such information as may be required, and keep a record of the pro-
135 ceedings of such meetings and perform such other services as may be required of him by the board." The following portion of section 19 of the by-laws also prescribes duty of cashier: "The secretary and cashier shall each make out a statement of the business and condition of his department and a statement of the profits and losses which have accrued during the six months next preceding the making such statement, and furnish the same to the committee of finance at least ten days before the day of declaring a dividend of the profits of the company semi-annually." The balance of the section treats of the duties of the committee of finance. My duty under the by-laws was to report this account to the president and trustees. I reported no over-draft of the trustees to the board to my recollection. I desire to say, however, that at that time I was not aware that any overdrafts by trustees existed. I mean at the date of the suspension of the company. I did not know of Mr. Stetson's over-draft until making arrangements to settle his account early in September, 1857. I am not aware that the trustees took cognizance of any private account, other than their own, except by enquiries through the proper officer.

Adjourned.

W. F. STRAUB, *Special Master, &c.*

THURSDAY, *Dec'r* 6, 1860.

Cross-examination resumed.

Question 2d, by same. Please state whether or no the trustees, from the time of the suspension to the assignment, acted under the advice and
136 direction of counsel; and if yea, please state whether or no that advice was in writing. If yea, and you can, produce the same and make copies thereof part of your deposition; but if nay, please state who were the counsel and what the advice, if you know.

Answer. The trustees from the time of the suspension to the assignment did act under the advice and direction of their counsel. In many cases that advice was in writing. I attach hereto, and make it part of my deposition, a paper marked "Exhibit Y," which is a true copy of a written opinion furnished the trustees by Messrs. Worthington & Mathews, solicitors of the

company, in which opinion J. C. Wright appended his concurrence in writing. This opinion is dated Sept. 2, 1857. I also attach hereto, and make part of this deposition, a paper marked "Exhibit Z," which is a true copy of a written opinion furnished the trustees by Messrs. Worthington & Mathews, under date of Sept. 16th, 1857. These are all the written opinions I have been able to find among the papers of the company. In addition to the above, I would say that during the time spoken of above I frequently saw Mr. Worthington, and sometimes Mr. Mathews also, in consultation with *with* the trustees; but as to the particular points upon which they were consulted, or the advice they gave, I do not now remember. I do know, however, that they were consulted upon all important points.

L. P. BISHOP.

Adjourned. W. F. STRAUB, *Special Master.*

137 [Copy.] OFFICE OF THE O. L. INS. AND TRUST CO.,
New York, Sept. 4, 1857.

MY DEAR SIR: I gave Mr. Gardner, of Galena, a letter to you yesterday. He will be desirous of making some arrangements to get his debt into other securities. I have thought that perhaps I might do something through you; thus, I will take of him say $30,000 claims on trust co., for which I will allow him 80 p'r c't, or $24,000, for which I will give him a mortgage on my residence for $24,000, payable with 7 p'r c't interest in three years; should this be done, then take up the mortgage of mine on my house to trust co. $15,000, and interest, say about $18,000, and take up H. Vose note to trust co. and int. $5,200; apply any balance upon another note of mine in trust dep't of $2,000. If this arrangement is carried out it will liberate my house, and it will be entirely free to mortgage to Mr. Carter, as above written. If it is carried out you will take up the collateral with the Vose note, which is $5,000 stock Merchants' Bank, Cleveland, and with the mortgage to secure the $15,000 note to trust co. is a certificate of $5,000 trust co. stock; these should be surrendered to you. If you can't do this with Carter, you are at liberty to do it with any other respectable person.

(Signed) Y'rs, C. STETSON.

I hope the company will not let any other party negotiate for my indebtedness to them. Bring this to Mr. Fosdick's notice, I beg of you.

(Signed) C. S.

138 EXHIBIT B.

[Copy.] OFFICE OF THE O. L. INS. AND TRUST CO.,
New York, Sept. 3, 1857.

S. P. Bishop, cashier, Cincinnati:

D'R SIR: This will be presented to you by Mr. James Carter, of the firm of James Carter & Co., of Galena, who is so unfortunate as to be the creditor of this co. in this city to very large amount. In the letter of Mr. Hooper to you this gentleman's name was favorably noticed. I have certified to his account, as will appear upon the same. I trust the board will take a favorable view of this truly hard case, and do anything in their power to aid him in securing his claim. His acc't was opened only two months since, and Mr. Carter has made no attachments here, as I learn from him. Commending Mr. C. to your kind civilities,

(Signed) I remain y'rs, C. STETSON, *Pres't.*

"EXHIBIT Y" of S. P. Bishop's deposition.

"CINCINNATI, *Sept.* 2, 1857.

"GENTLEMEN: The fact that attachments have been issued, and garnishee notices served upon debtors of the trust co. in different parts of the State, need not and ought not to prevent the consummation of the arrangement proposed with the State Bank of Ohio. If the attachments are dismissed entirely, as we confidently believe they will, of course transfers now made will convey a perfect title. If they should not, there is abundant property levied on additional to the securities proposed to be transferred, fully to satisfy them; in which event the court would discharge the excess of the assets levied on, and the parties taking transfers will have the clear
139 right to compel the attaching creditors first to exhaust the property in this county levied upon, the latter being first seized.

"Respectfully,

"(Signed) WORTHINGTON & MATHEWS,
"*Trustees O. L. Ins. and Trust Co.*

"I concur in the above opinion.

"(Signed) J. C. WRIGHT."

"EXHIBIT Z" of S. P. Bishop's deposition.

"CINCINNATI, *Sept.* 16, 1857.

"Samuel Fosdick, esq'r, pres't pro. tem.:"

"D'R SIR: You ask our written opinion upon the following points, to wit:

"How far can the trustees of the Ohio Life Ins. and Trust Co. set aside a fund to satisfy—

"1. Notes in circulation.

"2. Deposits by order of court and otherwise, in trust for accumulation.

"3. To meet liabilities on policies of insurance.

"4. Whether the trustees can regard policies of insurance as other contracts, to be settled with on fair and equitable principles."

Opinion.

"I. Notes in circulation must be redeemed within thirty days after demand, or the charter will be forfeited, and they bear twelve per cent. interest. In all other respects the liability of the company for its circulation is like its liability in other cases.

"II. Deposits by order of court and otherwise, in trust for accumulation with the company under an ordinary certificate of deposit as issued by the company, stand like other liabilities of the company, a deposit strictly in trust, directed to be invested by the company for the depositor or another in a particular way, or for any given use, and when the company acts
140 as trustee, guardian, or receiver merely, and not as debtor, belongs to the depositor *cestui que* trust ward or court, and cannot be touched by the creditors of the company. We do not understand any such trust exists. The deposits by order of court and other deposits at interest are no more trusts than any other obligations of the company. The word 'absolutely' in the sixth section of the charter, is not a word of exclusion or exemption. It is simply an affirmative and impressive word, giving intensity to the liability, but imports no privity or preference in law. Indeed, we think the words 'shall be absolutely liable,' have no more force than the words 'shall be liable,' and such words could import no priority. We therefore consider these liabilities of the company by the charter have no priority over its other liabilities.

"III. As to the liability of the company upon its policies of insurance, we give the same answer: they are entitled to no priority whatever.

"IV. With this exposition we come now to the question, Can the trustees set aside a fund to meet these liabilities? We know nothing in the charter that prohibits the company from paying or securing honestly its honest debts, or any portion of them, in good faith. But in contemplation of insolvency, no assignment in trust can be made in whole or in part, to give priority to any creditor. To preserve the charter, the trustees, if they deem it wise, should redeem the circulation as required by its provisions, and hence may in good faith place in the hands of a trustee a fund for that purpose, if not done in contemplation of insolvency. We have the
141 same answer to make as to court and other deposits, and insurance policies. They have no priority by the charter that we can discover, and the obligation of the trustees to provide for these liabilities is precisely their obligation in all other cases.

"V. In regard to the liability of the company upon life policies, and the principles upon which they are to be adjusted and settled 'we have this to say: It is in the competency of the company, with the assent of the assured, to break up the policy at any time, or to have the risk transferred to some other assurer. The only question in such an event is as to the measure of the liability of the company. We think this is easy measured. It is the present value or costs of reassurance. We will put a case or two first. A gentleman of sixty years insures for life upon an annual premium. His expectation of life is a fraction over fifteen years. He arrives at the age of seventy years—man's allotted time and has paid his yearly premiums; now his expectation of life is a fraction over ten years. What will it cost the company over and above his annual premium fixed at his sixtieth year, to keep up his policy? He has spun out only one-third of the expectation of life he had at sixty. Even if he runs on to his eightieth year, his expectation of life at seventy is but exhausted; still at eighty he has an expectation of life for over five years. It may be that an insured at sixty may at seventy have paid more than his beneficiaries can get at the end
142 of his days, yet to get it he must pay unto the end, even though his years extend to ninety-nine and one over. Still in insurance law at seventy he has only a right to live ten years, and so his rights are measured. We therefore consider in the case supposed, the value of the policy can be measured by the company upon the premium fixed for a life insurance at seventy years over and above what the assured pays. By reducing the annual premium excess to ready money and you have the measure of damages or measure of the rights against the company upon her policies. Second. Take another case: A life is insured for years; one-half the period has run, and the expectation of life probably diminished pro rata. The risk has diminished, and of course the measure of right reduced. The cost in ready money of reassurance over the premium to be paid by the assured measures the liability of the company. Say the policy is on a life at thirty, for seven years, where the expectation of life is thirty years; six years of the policy has run, and the expectation of life scarcely changed. The risk for the year is less than the premium; that is, it is the interest of the assured to break up the policy and insure for the year elsewhere. We have thus, we hope, intelligibly, and satisfactorily answered the questions propounded. In the event an assignment in trust should become inevitable, which we hope will not be the case, we have so framed the form of an assignment as requested as to leave all these questions now submitted to us open for the advice of the court in the execution of the trust. Very respectfully,

(Signed) "WORTHINGTON & MATHEWS."

143 The deposition of Wm. A. Goodman, taken before me, W. F. Straub, special master, on October 11th, 1860, (Wednesday,) in the matter of James C. C. Bell *et al. vs.* the Ohio Life Insurance and Trust Co. *et al.*—U. S. cir. c't, south'n dist. of Ohio.

William A. Goodman, of lawful age, being first duly cautioned, examined, and sworn, deposeth as follows, in answer to interrogatories of plaintiffs' counsel:

Question 1st by pl'ffs' counsel. In what business were you engaged in this city during the summer and fall of the year 1857?

(*Memo.*—Def'ts' counsel object to above question generally as to former ones.)

Answer. I was engaged in banking.

Question 2d by same. Did your house deal in the checks of the Ohio Life Insurance and Trust Company during that period? And if so, to what extent?

(*Mem.*—Def'ts' counsel object to this question generally as before.)

Answer. We dealt in them. I can't say to what extent; to a pretty large amount.

Question 3d by same. Please state the market value of those checks from the date of the suspension of the Ohio Life Insurance and Trust Co. down to the time of its assignment; that is to say, from the 24th day of August to the 26th day of September of that year.

(*Mem.*—Def'ts' counsel object generally as before.)

Answer. They ranged from sixty cents (60) up to eighty-five (85) and ninety (90) cents. For a couple of weeks after suspension they were sold for between seventy-five (75) and ninety (90) cents. During the two weeks prior to the assignment they ranged from sixty (60) to seventy-five
144 (75) cents.

To def'ts' counsel, Judge Coffin: For two or three weeks after the suspension there were large amounts of checks sold at par on time; interest to be paid on the purchase money.

(Signed) W. A. GOODMAN.

The deposition of Charles Goodman, taken before me, W. F. Straub, special master, &c., in case Bell *et al. vs.* Ohio Life Ins. and Trust Company *et al.*, now pending in U. S. circuit court, southern district of Ohio, on Tuesday, Oct. 23, 1860, between the hours specified in notice to counsel.

Charles Goodman, of lawful age, being first duly sworn, deposeth as follows, in answer to interrogatories of plaintiffs' counsel:

Question 1st by pl'ffs' counsel. In what business were you engaged at Cincinnati during the years 1857 and 1858?

(*Memo.*—Def'ts' counsel object generally to above question in manner and form as to previous ones.)

Answer. I was engaged in the exchange and banking business. I was a member of the firm of T. S. Woodman & Co.

Question 2d by same. Did your house deal in the checks of the Ohio Life Insurance and Trust Company, subsequent to the date of the assignment of said company, on the 26th September, 1857? And if so, please state as nearly as you can to what extent and for how long a period thereafter.

(*Memo.*—Def'ts' counsel object to this question as before.)

Answer. Or house did buy and sell the checks of said company after the assignment, and also its certificates, to a considerable amount, which I am not able to state exactly. It was not less than twenty-five thousand dollars. We dealt in them until some time in the ensuing spring, April
145 or May, 1858. After that time we did not deal in them at all.

Question 3 by same. Please state what was the market value of those checks and certificates of deposite during the time you refer to, say from 26th Sept., 1857, to April or May, 1858.

(*Memo.*—Def'ts' counsel object to above as before.)

Answer. From the 17th of October, 1857, to April or May, 1858, the selling price was from thirty-four (34) to forty (40) cents on the dollar. This was the usual rate among dealers here. In buying there was a margin of five (5) per cent. profit. Immediately after the assignment the checks went down to forty cents. The average selling rate from date of assignment, 26th Sept., 1857, to October 17th, same year, was from (35) thirty-five to (40) forty cents.

CHARLES GOODMAN.

Adjourned. W. F. STRAUB, *Special Master.*

Certificate.

I, Walter F. Straub, special master, &c., acting under an order of the hon'le the circuit court of the United States for the 7th circuit and southern district of Ohio, in chancery sitting, in the matter of James C. C. Bell *et al. vs.* the Ohio Life Insurance and Trust Company *et al.*, do hereby certify that S. P. Bishop William A. Goodman, and Charles Goodman were first by me severally sworn to testify the truth, the whole truth, and nothing but the truth; that the depositions by them subscribed, as above set forth, were reduced to writing by myself in the presence of the said witnesses, and were respectively subscribed by them in my presence; that they were taken
146 at the place set forth in the foregoing caption and at the several times in the said deposition specified

In testimony whereof, I have hereunto subscribed my name this 17th day of October, A. D. 1861.

WALTER F. STRAUB, *Special Master, &c.*

And afterwards, to wit, at the June term, in the year of our Lord one thousand eight hundred and sixty-two, this cause was continued to next term.

And afterwards, to wit, at the October term, in the year last aforesaid, this cause was continued until the next April term.

And afterwards this cause was continued from term to term until the October term, in the year of our Lord one thousand eight hundred and sixty-three, when an entry was made, in the words following, to wit:

BELL & GRANT, complainants,
against
THE OHIO LIFE INSURANCE AND TRUST COMPANY, CHARLES Stetson, George Luckey, and others, defendants.

This day came the counsel of the defendants, and suggest the death of George Luckey, one of the defendants in this cause, since the hearing of this cause at the last April term of this court in this cause.

And afterwards, but on the same day and at the same term, came the complainants by their counsel and filed their certain bill of revivor herein, in the words and figures following, to wit:

Bill of revivor.

Circuit court of the United States for the seventh circuit and southern district of Ohio, in chancery.

JAMES C. C. BELL *et al.*
vs.
THE OHIO LIFE INSURANCE AND TRUST COMPANY *et al.*

The plaintiffs in the above entitled cause state that, since the last

147 continuance thereof, George Luckey, one of the defendants therein, has departed this life, intestate, and that George M. Luckey has been made and constituted his administrator.

They pray that the said George M. Luckey, administrator as aforesaid, be made party defendant in the stead of said George Luckey, and that the said case do stand revived against the said George M. Luckey as such administrator. Henry Stanbery solicitor for plaintiffs.

And afterwards, but on the same day, and at the same term, upon the journals of said court the following order was made to wit:

Entry.

BELL & GRANT
vs.
THE OHIO LIFE INSURANCE AND TRUST COMPANY and others. } In chancery.

And now, at this term, to wit, at the October term, 1863, comes the said George M. Luckey, administrator of said George Luckey, by Wm. Worthington, his solicitor, and waives process of subpœna, and voluntarily appears to said bill of revivor, and consents that the said case do stand revived against him. And thereupon it is ordered by the court here that the said case do stand, and is hereby revived against the said George M. Luckey, administrator of said George Luckey.

And afterwards, to wit, at the October term of said court last aforesaid, the following decree was entered.

Decree.

BELL & GRANT
vs.
THE OHIO LIFE INSURANCE AND TRUST COMPANY and others. } In chancery.

This cause having been fully heard upon the bill, answer, exhibits,
148 and proofs, and arguments of counsel, and thereupon after due consideration, the court finds the equity of the case with the defendants, and thereupon doth order, adjudge, and decree that the complainants bill be dismissed, with costs to be paid in sixty days, or execution issue thereon as on a judgment at law. And thereupon came the plaintiffs, Bell and Grant, and prayed the allowance of an appeal from said decree to the Supreme Court of the United States, and the court here being satisfied that the amount in controversy exceeds the value of two thousand dollars, do allow the appeal as prayed for, and fix the amount of the appeal bond at two thousand dollars. The plaintiffs thereupon offer an appeal bond in that sum, executed by William Key Bond, which bond is approved by the court as sufficient, and it is ordered to be filed. And it is certified by the court here, and ordered to be made a part of the record, that on the hearing of the case in this court, the plaintiffs excepted and objected to the admission of the following items of testimony offered by the defendants: 1st. The account of Bell & Grant with the Ohio Life Insurance and Trust Company, and the depositions accompanies the same. 2d. The transcripts of the record in the
149 case of Brown & Spinning *vs.* the Ohio Life Insurance and Trust Company and others. 3d. The deed of assignment to Reemelin & Kilbreth, of the assets dated Feb'y 1, 1859. 4th. The transcript of the proceedings in quo warranto, against the Ohio Life Insurance and Trust Company, which exceptions were overruled, and said items of testimony admitted in evidence.

149*a* Know all men by these presents that I, William Key Bond, am held and firmly bound unto the Ohio Life Insurance and Trust Com-

pany, J. P. Kilbreth, trustee, Charles Stetson, Abraham M. Taylor, S. S. L'Hommedieu, administrator of the estate of John C. Wright, dec'd, Samuel J. Broadwell, George Crawford, Nathaniel Wright, Samuel B. Keys, George T. Stedman, Charles G. Enyart, Samuel C. Parkhurst, Samuel Fosdick, George M. Luckey, administrator of George Luckey, deceased, Clement Dietrich, and Samuel Forer, in the full and just sum of two thousand dollars, to be paid to the said parties above-named, their certain attorneys, executors, administrators, or assigns, to which payment, well and truly to be made, I bind myself by these presents. Sealed with my seal this 22d day of October, A. D. 1863.

Whereas, lately at a circuit court of the United States for the southern district of Ohio, in a suit depending in said court between the said James C. C. Bell, Robert Grant, and James Martin Bell, partners under firm name of Bell & Grant, and the Ohio Life Insurance and Trust Company and others, as above named, defendants, a decree was rendered against the said complainants, and said complainants having obtained an appeal to the Supreme Court of the United States to reverse the decree against them:

Now, the condition of the above obligation is such that if the said complainants aforesaid shall prosecute their appeal to effect, and answer all damages and costs if they fail to make their plea good, then the above obligation to be void; otherwise, to remain in full force and virtue.

149*b* WM. KEY BOND. [SEAL.]

Sealed and delivered in presence of—
H. B. STEVENS.

Filed Oct. 22, 1863.

JOS. H. GEIGER, *Clerk.*

149*c* UNITED STATES OF AMERICA,
Southern district of Ohio, ss:

I, Joseph H. Geiger, clerk of the circuit court of the United States within and for the seventh circuit and southern district of Ohio, do hereby certify that the above is a true and accurate copy of the record in the foregoing cause, as the same is kept in this office.

In testimony whereof, I have hereunto subscribed my name and [SEAL.] affixed the seal af said court, this 16th pay of December, A. D, 1863, and of the independence of the United States of America, the 88th.

JOS. H. GEIGER, *Clerk.*

150 UNITED STATES OF AMERICA, *Southern district of Ohio, ss:*

The President of the United States of America to the marshal of the southern district of Ohio, greeting:

You are hereby commanded that of the goods and chattels, and for want thereof, then of the lands and tenements of the Ohio Life Insurance and Trust Company, in your district, you cause to be made the sum of two hundred and fifty-nine thousand two hundred and ninety-three dollars and fifty cents damages, and fifty-five dollars and one cent costs of suit, which, by the judgment of the circuit court of the United States for the southern district of Ohio, at the February term thereof in the year 1858, James C. C. Bell, Robert Grant, and James Martin Bell partners as Bell & Grant, recovered against the said Ohio Life Insurance and Trust Company, with interest thereon from the twentieth day of February, A. D. 18—, until paid, together with the further sum of one dollar and thirty-five cents costs of increase on said judgment; and also the costs that may accrue on this writ. And have

you the said moneys in the said circuit court, before the judges thereof, at the city of Cincinnati, in said district, on the third Tuesday in the month of October next, to be paid to the persons entitled to receive the same. And have you then and there this writ.

Witness the Honorable Roger B. Taney, chief justice of the United States, this 19th day of August, A. D. 1858, and in the 83d year of the independence of the United States of America.

[SEAL.] WM. MINER, *Clerk.*

Original costs.

Clerk	$7 45
Marshal	2 56
Att'y's Doc. fee	20 00
" fees on deps	10 00
Pl'tff's on deps	15 00
	$55 01

Increase costs.

Clerk	$1 35

Filed April 22, '63.

J. H. GEIGER, *Clk.*

October 18, 1858. No goods or chattels, lands or tenements, found whereon to levy.

LEWIS W. SIFFORD, *U. S. Marshal,*
By W. L. MANSON, *Deputy.*

One service	35
One mile	6
	41

UNITED STATES OF AMERICA, *Southern district of Ohio:*

I, Joseph H. Geiger, clerk of the circuit court of the United States for the 7th circuit and southern district of Ohio, do hereby certify that the foregoing is a true copy of the original execution on file in this office.

In testimony whereof, I do hereto subscribe my name and affix the seal of said court, this 22d day of April, A. D. 1863.

JOS. H. GEIGER, *Clk.*

151 NEW YORK DEPOSITIONS.

UNITED STATES OF AMERICA, *Southern district of New York,*
City and county and State of New York, ss:

Be it remembered, that on the several days hereinafter, in the several depositions hereto annexed, in the year of our Lord one thousand eight hundred and sixty-one, I, Charles W. Newton, a commissioner duly appointed by the circuit court of the United States for the southern district of New York, in the second circuit, under and by virtue of the acts of Congress entitled "An act for the more convenient taking of affidavits and bail in the civil causes depending in the courts of the United States," passed February 20th, 1812, and the act entitled "An act in addition to an act for the more convenient taking of affidavits and bail in the civil causes depending in the courts of the United States," passed March 1st, 1817, and the act entitled "An act to

establish the judicial courts of the United States," passed September 24th, 1789, did call and cause to be and personally appear before me, at room No. 74, in the Merchants' Exchange, in the city of New York, in the said southern district of New York, in the State of New York, John S. Carr, George S. Coe, Herbert Taylor, James Lee, George O. Depew, and George S. Robbins, to testify and the truth to say, on the part and behalf of the
152 plaintiff, in a certain suit or matter of controversy now depending and undetermined in the circuit court of the United States for the 7th circuit and southern district of Ohio, in chancery, wherein James C. C. Bell, Robert Grant, and James Martin Bell are plaintiffs, and the Ohio Life Insurance and Trust Company, Charles Stetson, Abraham M. Taylor, Stephen S. L'Hommedieu, administrator of John C. Wright, Samuel J. Broadwell, George Crawford, Nathaniel Wright, Samuel B. Keys, George T. Stedman, Charles G. Enyart, Sylvester C. Parkhurst, Samuel Fosdick, George Luckey, Clement Deitrich, Samuel Forrer, are defendants. And I do further certify that on the 9th day of July, 1861, I did attend at room No. 79, in the Merchants' Exchange of said city and county of New York, in pursuance of the notice hereto annexed, for the purpose of examining the witnesses hereinafter named, and was then and there attended by Henry Stanbery, attorney for the plaintiffs, and M. E. Curwen, attorney for the defendant Nathaniel Wright, and no witnesses being present, I thereupon adjourned the examination of witnesses generally in this cause to the 10th day of July, then instant, at 10 o'clock a. m., at the same place, and that on the said 10th day of July, I again attended at 10 a. m., at said room No. 79, the same two attornies being present; whereupon, no witnesses being present, I again adjourned the examination of the witnesses in said cause to the 11th
153 day of July, at 10 o'c. a. m. of that day, to room No. 74 of said Merchants' Exchange; whereupon, on the said 11th day of July, at 10 o'c. a. m., at room No. 74, I proceeded, the said Henry Stanbery, attorney for the plaintiffs being present, with the examination of the witnesses from day to day, according to adjournment, as hereinafter specially stated in said several depositions hereunto annexed, at which several times and places so designated the said several witnesses, after having been by me first cautioned and sworn to testify to the truth, the whole truth, and nothing but the truth, in the matter of controversy aforesaid, I did carefully examine each of said witnesses, and they did thereupon each severally and respectively testify and say, as particularly hereinafter set forth.

John S. Carr, being duly sworn on the part of the plaintiff in the above-entitled cause, this 11th day of July, 1861, gave answer to the interrogatories propounded to him by Mr. Stanbery, the counsel for plaintiff, as follows:

No. 1. Q. Where do you reside; what is your business?

A. I reside in Brooklyn, Kings County, State of New York; I am a clerk in the American Exchange Bank, in the city of New York.

154 No. 2. Q. Was you at any time engaged in the office of the Ohio Life Insurance and Trust Company in this city? If so, at what time and in what capacity?

Ans. I was engaged in the office of the Ohio Life Insurance and Trust Company, in this city, from February, 1851, until its failure; and afterwards I was with the trustees of the company. I commenced as a collection clerk or runner, then debit clerk; afterwards I was paying teller, with a power of attorney for signing checks, from August, 1852. I was paying teller down to the time of the company's failure,

No. 3. Q. What were your duties as paying teller?

Ans. Paying everything that was to be paid through the office—all drafts and checks.

No. 4. Q. In what way did you make such payments?

Ans. By check on banks in this city. I signed a portion of the checks, and the cashier a portion. I signed them in the cashier's room, by myself, as his attorney, as follows: "Edwin Ludlow, cashier, per John S. Carr, attorney." I commenced drawing checks in this way, either February or March, I think of the year 1854, and continued that up to the co.'s failure.

The power for me to draw in this way came from the Cincinnati of-
155 fice, either when I began to draw, or shortly afterwards.

No. 5. Q. What books or accounts were under your charge?

Ans. Check books, loan books, and also the cash books; the check book contained both the deposits and the payments made; the loan book contained merely the account of the loan; and the cash book was the report of the cash received in the amount on hand in the morning, and amount paid; which composed one side of the book; the opposite side contained the amount on hand in the banks at the close of the day.

No. 6. Q. What was the nature of the loans?

Ans. They were loans of the money of the office, made by the cashier to other parties.

No. 7. Q. How were these loans evidenced?

Ans. I know nothing about the loans, except from the loan book, which was made up from the debit and credit books, by myself.

No. 8. Q. Who had the custody of the notes or bills on which the loans were made?

Ans. The cashier. I paid these loans upon the charge tickets of the cashier.

No. 9. Q. Can you state what would be a fair daily average of the amount of cash drawn in your checks?

Ans. The amount ordinarially was large; I cannot give any average; on some occasions, when we were paying the Ohio loan, the daily checks
156 drawn by me would amount to over a million of dollars.

No. 10. Q. What clerks, beside yourself, were in the office?

Ans. Bookkeeper and assistants, one or two in number. At times, corresponding clerks, transfer clerk, note teller, debit clerk, cashier's clerk, one or two assistants to paying teller, and two or three runners.

No. 11. Q. What books were kept in the office?

Ans. General ledger, which included all the accounts in the banks and individuals. There was also a debit and credit book. There was a stock ledger and a stock transfer book, letter books, also check books and loan books, which I have before mentioned. There was also a statement book.

No. 12. Q. Do you know of any such book as a journal or minute book of the board of trustees being kept in the office?

Ans. I do not.

No. 13. Q. Who made the loans?

Ans. Cashier, as far as I know.

No. 14. Q. Do you remember of any examination ever being made of your books during the time you were paying teller?

Ans. None, excepting the loan book, or an examination of the loans made in the loan book; but I do not recollect when such examination was last made. The examination referred to was made by one or two of the city trustees.

157 No. 15. Q. Who were the New York trustees during the year 1857?

Ans. I could not give all of them. I think Mr. Coe and Mr. Steadman were two of them. I do not know whether there were others.

No. 16. Q. What part, if any, did those trustees take in the daily business of the office?

Ans. I do not know.

No. 17. Q. During the time you were in the office was there any committee from the home office who made any examination of the New York office?

Ans. I do not remember of any.

JOHN S. CARR.

George S. Coe, being duly sworn on the part of the plaintiffs, in the above-entitled cause, this the 11th day of July, 1861, gave answer to the interrogatories, as follows:

No. 1. Q. Where do you reside?

Ans. In Brooklyn, Kings County, State of New York.

No. 2. Q. For what time were you connected with the office of the Ohio Life Insurance Co., in this city; and in what capacity?

Ans. My connection with the company, first commenced in the year 1848, as cashier, and in the office at New York; it continued as such for about five years. Subsequent to that time I was trustee of the company, down to the time of its suspension, resident in New York.

No. 3. Q. Who were the other trustees resident in New York?

158 Ans. Mr. Rufus L. Lord was a trustee and resigned. He was a trustee during the earlier period in which I was a trustee. Mr. Charles Steadman and Robert Bayard were also trustees; the former during the whole period in which I was trustee, and the latter the whole or nearly so. These are all the names I remember.

No. 4. Q. Did the trustees resident here act as a board in the transaction of the business of the company?

Ans. They did not act as an organized board; they were always considered here as advisory for such purposes wherein it was inexpedient to receive the instructions from the home office.

No. 5. Q. Was the superintendance of the office here placed by the home office or home board, under their charge?

Ans. I am not aware of the office in the city of New York being placed under any formal superintendance of the resident trustees, further than as advisory, as I have already stated. No business originated with the New York trustees, nor did they ever set as a board.

No. 6. Q. Who made the loans in New York at the New York office?

Ans. The loans were always, during my administration and I believe afterwards, made by the cashier, who acted under general instructions from the home office, and in exceptional cases he was expected, where he had doubt, to seek advice from any of the trustees.

No. 7. Q. Who borrowed money on account of the office?

159 Ans. The cashier.

No. 8. Q. Did the cashier render statements of the business of the office to New York trustees or to the home office?

Ans. It was the custom while I was cashier to render regular semi-monthly statements of the condition of the office by giving a balance sheet from the ledger and render them to the home office, and I believe the same practice was always continued.

No. 9. Q. Did the New York trustees have any stated times of meeting, or keep any journal or minutes of their meetings?

Ans. Neither one nor the other.

No. 10. Q. Was it made their special duty, by instructions from the home office, to make examination of the condition and business of the office in New York?

Ans. I am not aware of any special written rules to that effect, but I believe the cashier was instructed to communicate with the trustees in order to receive the assistance of their judgment.

No. 11. Q. Did the New York trustees make any examination of the condition of the office? If so, at what time and at whose instance?

Ans. During my administration as cashier I do not remember as an examination was ever made by them; it was done in several instances while I was trustee, and generally at my special instance.

160 No. 12. Q. Can you state the date of the last examination made at your instance?

Ans. I have not at hand the means of fixing the date; but it was an examination, copy of which, with a letter accompanying it, was addressed to the Cincinnati office. I mean that this was the last of such examinations made prior to the one made at the time of the suspension.

No. 13. Q. Were any examinations of the New York office made by a committee from the home board?

Ans. I do not remember of any examination of that kind excepting those which I believe occurred on a change of cashier.

No. 14. Q. In what capacity had Mr. Ludlow been employed prior to his appointment as cashier?

Ans. He was a clerk of Mr. Vermilye when I entered the office. Mr. Vermilye was my predecessor as cashier. Mr Ludlow was also corresponding clerk and cashier's assistant during my cashiership, and afterwards was assistant cashier under Mr. Rockwell, my successor. He succeeded Mr. Rockwell as cashier of the company and continued cashier until the suspension.

No. 15. Q. Please state the nature of the business transacted at the New York office.

Ans. The purpose of the New York office was to attract deposits of money from Ohio and other places, from banks and bankers in Ohio and other places to the New York office, which deposits could so far as deemed

161 expedient be used to facilitate the business and profits of the office at Cincinnati. This office was therefore established as an auxiliary to the home office; it was the custom to advance to the home office by paying their checks drawn upon it to as large an amount as was considered safe to do, having ample funds here to meet the requisitions of the parties depositing the money in New York. The amount reserved for such purposes in New York, was generally loaned on demand in Wall street on collateral security of stocks and bonds.

No. 16. Q. Did the fund for operating in New York consist exclusively of the deposits?

Ans. It did.

No. 17. Q. Was interest allowed on these deposits, and if so, at what rate?

Ans. Interest was generally allowed during my cashiership; it was, I think, four per cent as a general rule, and I believe afterwards as high as five.

No. 18. Q. What was the usual rate of interest obtained by the office on their loans?

Ans. The current rate obtained on demand loans in New York from seven per cent. downward.

No. 19. Q. What was the form of security taken upon these loans?

Ans. A note or notes payable on demand, with interest, to the order of the cashier or corporation, specifying the collateral security taken and generally giving authority to sell the same on default of payment.

No. 20. Q. Do you know that Mr. Ludlow, as cashier, was in the

162 habit of borrowing money to meet the liabilities of this office?

Ans. I suppose that he was; it had always been the habit of the office more or less.

No. 21. Q. What led to the necessity of borrowing money?

Ans. In the transaction of the business of this office with the depositors it was frequently called upon to lend money to them by a rediscount of such bills receivable, notes, or drafts payable at a future time, as were sent here for collection by such depositors and which the owners found it convenient to realize in advance before their maturity. And inasmuch as the business of the office was a western business, and influenced by the same course of trade and exchange as effected the Cincinnati office, the necessities for money by the depositors in the home office operated simultaneously, so that the reduction of deposits and the call for such loans by depositors would occur at a time when it was most inconvenient for the home office to repay its indebtedness to the New York office. It was therefore frequently necessary for the New York office to resort to borrowing money as a means of relief from such contingencies.

No. 22. Q. You speak of rediscounting the notes and bills of the depositors before their maturity. Was this rediscounting by the New York office done by the office itself or procured to be done?

Ans. Generally done by the office itself first, and afterwards renegotiated or pledged as collateral security for temporary loans made by the
163 office from other parties as was deemed expedient.

No. 23. Q. Upon such negotiation or pledge of bills or notes so made by the office to procure money, was the payment guaranteed by the endorsement of the cashier of the company?

Ans. I believe it was invariably.

No. 24. Q. Do you know whether Mr. Ludlow, as cashier, was in the habit of borrowing money in any other way than by rediscounting or pledging such paper?

Ans. I suppose this was the general way, excepting in such cases as he might borrow it without a pledge upon the credit of the company alone. There were such instances during my administration as cashier, but they were exceptional cases.

No. 25. Q. When money was so borrowed on the credit of the company alone, without any pledge of collateral security, in what form was the evidence of indebtedness given?

Ans. Either by note or check of the cashier payable at some day specified or by an entry on the books of the company to the credit of the lender.

No. 26. Q. Can you state the magnitude of the business of this office?

Ans. To the best of my recollection the balance-sheet of this office showed a liability to depositors and others ranging from one to two millions of dollars; this was about the range during my administration. The daily operations of the office were very heavy, ranging in receipts and dis-
164 bursements daily from three to eight hundred thousand dollars. The correspondence also was very large; in the number of the letters received. I believe, they were second in the city as compared with other institutions.

Examination of the witness adjourned to July 12th, at 10 o'clock, at the same place.

JULY 12th.

Examination of Mr. Coe further adjourned to July 17th, 2 o'c. p. m., at the same place.

JULY 17th.

Examination of Mr. Coe resumed as follows:

No. 27. Q. Can you give the date of the examination made by you of the New York office during Ludlow's administration?

Ans. One examination was made about the 1st of May, 1856, and another in April, 1857. I referred to the first examination in my answer to question No. 12; now I find on examination that it was the earliest date and not the last to which a letter addressed to Cincinnati was appended.

No. 28. Q. While you were cashier was there any proposition from the home office at Cincinnati for speculation in railroad bonds? If so, state as near as you can the time and the nature of the operation.

Ans. I cannot now recall an instance of the kind, but from copies of my letters now shown to me it appears that a proposition was made to me as cashier in May, 1850, to dispose of some bonds of the Little Miami
165 R. R., and Cincinnati, Hamilton, and Dayton R. R, by adding the co.'s guarantee. It is impossible for me to recall the facts of that case, but they must be found in the letters to me from the president of the trust co., to which my letters referred to are specific replies.

No. 29 Q. Do you know anything of the transactions of the New York office with the Nashville Insurance Company? If so, state the time of such transactions and the result.

Ans. The transactions with that co. all occurred prior to my connection in any manner with the trust co. When I entered upon my office as cashier in 1848, I found that the Ohio Life Ins. and Trust Co. had incurred a heavy loss at the New York agency by its operations with and on account of the Nashville Ins. and Trust Co., amounting to some four to five hundred thousand dollars; the particulars of this am't will be shown on reference to one of my earliest letters to the Cincinnati office setting forth the condition of the New York office. I believe that this loss arose from the failure of a London house, to whom the agent of the Nashville co., at New Orleans, was in the habit of remitting bills of exchange on London to be drawn against by Mr. Vermilye, cashier of the trust co. in New York, to the credit of the Nashville co. or its agent, who drew the proceeds of such bills from Mr. Vermilye. To make up this loss the trust co. suspended its dividends for a time required to make it up.

GEO. S. COE.

166 Edwin Ludlow, being duly sworn on the part of the plaintiff in the above-entitled cause, this 12th day of July, 1861, gave answer to the interrogatories propounded to him by Mr. Stanbery, the counsel for plaintiffs, as follows:

No. 1. Q. What is your age, and place of residence?

Ans. Thirty-six years of age; residence, city of New York.

No. 2. Q. State what connection you have had with the Ohio Life Insurance and Trust Company, during what time, and in what capacity.

Ans. My connection has been entirely with the office in the city of New York; first as clerk, about the year 1844 up to the year 1853, January, I believe; then I was appointed assistant cashier, which office I filled for the space of two years, and then, upon the resignation of Mr. Rockwell, I was appointed cashier, which I held up to the suspension of the company.

No. 3. Q. Was the cashiership of the New York office distinct from the cashiership of the home office at Cincinnati, as an assistant cashiership, or how otherwise?

Ans. The cashier of the New York office was cashier of the company, and the cashier of the home office at Cincinnati was an assistant cashier.

No. 4. Q. What was the nature of the duties performed by the cashier of the office in New York office?

Ans. It was to receive deposits and pay drafts, borrow money and make loans, and generally to transact all kinds of business pertaining to a bank, excepting notes of circulation.

167 No. 5. Q. What was the magnitude of the business transacted at the New York office?

Ans. It would amount to from two and a half to four millions of dollars continuously from about 1850 down to the close of the office.

No. 6. Q. What was the fund upon which these banking operations were conducted?

Ans. Upon the deposits account and other borrowed money.

No. 7. Q. What was the usual amount of the deposits?

Ans. To the best of my recollection, from a million to a million and a half.

No. 8. Q. What rate of interest, if any, was allowed to depositors?

Ans. Interest was allowed at the rate from three, four, and five per cent., according to the state of the money market and the necessities of the company.

No. 9. Q. What was the usual amount of the money borrowed by the office?

Ans. It varied from a half a million to two millions, according to the necessities of the company.

No. 10. Q. What rate of interest was paid for the money borrowed?

Ans. From four per cent. upwards, according to its market value.

No. 11. Q. In what way was the money obtained from deposits and borrowing used or employed?

Ans. It was for loans to correspondents and others and to meet the wants of the Cincinnati office.

No. 12. Q. About what proportion of such money was usually
168 required by the Cincinnati office?

Ans. Generally from half a million to a million and a half, continuously.

No. 13. Q. What rate of interest was obtained for the money loaned by the office?

Ans. Six and seven per cent.

No. 14. Q. On what securities were the loans made by the office?

Ans. Current market securities upon notes with collaterals.

No. 15. Q. What was the average amount of such loans?

Ans. From half a million to a million of dollars.

No. 16. Q. What was the nature of the collaterals usually taken for loans?

Ans. Stocks and bonds of every kind, banks, railroads, insurance co.'s, &c.

No. 17. Q. What sort of stocks and bonds preponderated in the collaterals?

Ans. Railroads.

No. 18. Q. Was the office here in the habit of discounting the notes and bills sent by its western correspondents, before their maturity?

Ans. Not by regular discounts, but by loans.

No. 19. Q. Please explain the nature of the operation?

Ans. A certain amount of the paper loaned upon to its full value on its face, and at the maturity of the last interest was charged upon the whole.

No. 19. Q. By this operation did the office acquire title to the paper so loaned on, at the time of the loan?

169 Ans. It did.

No. 20. Q. Did the office hold such paper until its maturity, or was it in the habit of borrowing it rediscounted for its own accommodation?

Ans. Generally having it rediscounted for its own accommodation.

No. 21. Q. In obtaining such rediscounts was the paper endorsed by you as cashier?

Ans. It was.

No. 22. Q. In carrying on the business of the office had you the assistance of a board of directors?

Ans. Yes.

No. 23. Q. Who constituted the board?

Ans. Robert Bayard, George S. Coe, Charles J. Stedman. They were trustees of the company resident in New York.

No. 24 Q. Did they meet regularly as a board, and if so, on what days?

Ans. They did not meet regularly as a board.

No. 25. Q. Was any journal or minutes kept by them?

Ans. There was not.

No. 26. Q. What assistance did they render you?

Ans. They aided at times in borrowing money.

No. 27. Q. What else?

Ans. They were, from time to time, individually connected, but never as a board.

No. 28. Q. During the time of your cashiership what examinations were made of the condition of the office by the New York trustees, or by the trustees of the home office, or by any committee from either.

Ans. There was an examination only from the home , which
170 was at the time I assumed the office of cashier; there was also two examinations made by the New York trustees during my administration as cashier, to the best of my recollection, the dates of which I do not now remember.

No. 30. Q. Was the home office advised of your borrowing money?

Ans. They were cognizant of it.

No. 31. Q. Was that office advised of your discounting and rediscounting the paper transmitted to your office for collection?

Ans. They were.

No. 32. Q. Were they advised of your making loans upon collateral securities, and of the nature of the securities?

Ans. They were.

No. 33. Q. In what way was the home office advised of the operations of the New York office?

Ans. By correspondence and semi-monthly statements sent from the New York office to the home office.

No. 34. Q. During the time of your cashiership did you deal in London credits?

Ans. We did.

No. 35. Q. State the nature and amount of that business.

Ans. It was an open credit with Bell & Grant for, I believe, fifty thousand pounds. Bell & Grant of London, I mean. I had authority from them to draw upon for that amount, to be remitted for by me; that is, I was to make remittance before the maturity of the credit interest, and commissions
171 were allowed to them for the use of the credit.

No. 35. Q. What was the occasion of opening this credit?

Ans. For the purpose of raising money, and providing means for the New York office beyond what could be controlled here.

No. 36. Q. Who suggested this means of raising money?

Ans. It was the suggestion of the New York office.

No. 36. Q. Who was the suggestion made to?

Ans. It was made to the Cincinnati office.

No. 37. Q. What was the answer to this suggestion?

Ans. It was confirmative, and approved of by the home office.

No. 38. Q. Were you in the habit also of purchasing sterling bills payable in London?

Ans. I was.

No. 39. Q. State the nature of the operation.

Ans. I borrowed money of James Lee & Co. at sixty days, taking in pay his bills on the Western Bank, Scotland, which bills I resold to him or to other parties to raise money by the operation. I was bound to pay the am't of the sterling bills in London or here with an arranged rate of exchange.

No. 40. Q. What was the purpose of this negotiation?

Ans. For the purpose of raising money for the wants of company.

No. 41. Q. What knowledge, if any, had the home office of these purchases of sterling bills?

Ans. They were cognizant of it.

No. 42. Q. What was the general cause that led to the necessities of obtaining money for the home office?

172 Ans. From the drafts of the home office.

No. 43. Q. Can you state the average amount of these drafts made by the home office upon the New York office?

Ans. They amounted from a half a million to a million and a half over any money they had at this office.

No. 44. Q. Were these drafts made by the home office sight drafts or on time.

Ans. They were sight drafts.

No. 45. Q. What would be the consequence of allowing such drafts going to protest.

Ans. It would cause the immediate failure of the company.

No. 46. Q. Were those drafts made at your suggestion or how otherwise?

Ans. They were controlled entirely by the home office.

No. 47. Q. What communications passed between you and the home office in reference to these over-drafts?

Ans. Whenever they became oppressive I protested against them.

No. 48. Q. Did you succeed in stopping these over-drafts?

Ans. They were never entirely stopped; when oppressive would be temporarily lightened upon remonstrance from the New York office; they would, however, soon reach their old amount.

No. 49. Q. What means did you resort to beside the London credits and the purchase of sterling bills to meet these over-drafts?

Ans. By borrowing money on call from banks, bankers, and brokers,

173 No. 50. Q. Were these borrowings optional or necessities?

Ans. Necessities.

No. 51. Q. What advice, if any, had the home office of these necessities to borrow money to meet their over-drafts?

Ans. By my daily correspondence with them.

No. 52. Q. Did the New York office have any transaction with the Cleveland and Pittsburgh Railroad Co.? and if so, how did it commence?

Ans. They had. It commenced in the year 1853 or 1854. I believe it commenced before my cashiership, under Mr. Rockwell's administration. Messrs. Gilbert & Johnson were owing the New York office about forty-five thousand dollars, the security for which was insufficient. They proposed that if the Ohio Trust Co. would furnish the money which was necessary to carry out a contract which they, Gilbert & Johnson, had with the Cleveland and Pittsburgh Railroad Co. to furnish a certain amount of railroad iron that they would make over to the Ohio Trust Co. the profits of said contract in payment for their debt. I think the amount of money required by them for this purpose was about two hundred and fifty thousand dollars. This transaction was known and sanctioned by the home office. When I came into the office as cashier this transaction remained unclosed. The subsequent transaction with the Cleveland and Pittsburgh Railroad Co. was the sequence of this transaction.

No. 53. Q. What position did Mr. Rockwell take after leaving the cashiership of the company?

174 Ans. He took the presidency of the Cleveland and Pittsburg Railroad Company.

No. 54. Q. At the time he left the office was there any other transactions

between the Cleveland and Pittsburg Railroad except the contract with Gilbert & Johnson?

Ans. The office had made loans to that railroad co.

No. 55. Q. What was the amount of these loans when you came in as cashier?

Ans. I don't remember.

No. 56. Q. What was the security held by the company for those loans?

Ans. The loans of the railroad company.

No. 57. Q. After you became cashier were further advances made to that railroad co.? and if so, what was the cause?

Ans. Advances to considerable amounts were made to secure monies which they had already obtained from the office in order to protect their credit.

No. 58. Q. Can you give an idea of the amount?

Ans. It increased generally until it reached several hundred thousand dollars.

No. 59. Q. What, in your opinion, was the eventually loss sustained by the co. from the transactions with the railroad company?

Ans. It eventually entailed a heavy loss; the amount I am not able to state.

No. 60. Q. What connection had the New York office with the Hamilton and Dayton RR. Co. or their stock or bonds?

Ans. The New York office loaned them money from time to time,
175 and was their transfer agents for their stock, and also for the payment of the interest on their bonds.

No. 60½. Q. At whose instance was this business with the Hamilton and Dayton Railroad Company commenced?

Ans. At the instanee of such of the directors of H. and D. R. Co. as were at the time trustees of the Ohio Life Ins. and Trust Co. So far as I can recollect, they were Charles Stetson, Samuel Fosdick, and George T. Stedman and Charles J. Stedman.

No. 61. Q. Were you engaged with any of the trustees of the Ohio Life Ins. and Trust Co. in joint speculation in bonds or stocks in this city? If so, state the particulars.

Ans. I was engaged with Mr. Fosdick and the two Messrs. Stedman, who were trustees at the time in a joint purchase of four hundred thousand dollars of the second mortgage bonds of H. and D. Railroad Co. The purchase was on credit at the rate of eighty or eighty-two per cent. This was in July, 1856. I recollect of no other purchases with the trustees; there may have been some similar purchases of the Ohio Life Ins. and Trust Co. stock with some of the trustees, but I do not recollect about it. I do recollect, however, of purchasing with the same parties some of the stock of the H. D. Railroad Co., which purchase was made in order to keep up the credit of the H. and D. RR. Co. to enable us to keep up the bonds we had purchased.

No. 62. Q. Were any loans or advances made the New York office to the home trustees?

176 Ans. Yes; at different times loans were made to Parkhurst, Fosdick, Stedman, Stetson. These are all I recollect to whom loans were made from the New York office.

No. 63. Q. What way were those loans secured?

Ans. Collaterals of different description.

No. 64. Q. Were they made upon time or call?

Ans. They were made sometimes one way and sometimes another.

65. Q. Whilst cashier did you make purchases of the Ohio Life Ins. and Trust Co's stock?

Ans. I did to large amounts.

No. 66. Q. What was the object of those purchases?

An. To sustain the market value of the stock.

No. 67. Q. Were any of the trustees advised that you were making such purchases?

Ans. They were.

No. 68. Q. Do you mean the home trustees?

Ans. I mean both the home trustees and resident trustees.

No. 69. Q. Were these purchases made at your own suggestion, or how otherwise?

Ans. Sometimes at my own suggestion, and sometimes they were the result of conversation and consultation with the trustees.

No. 70. Q. What amount of Ohio Life Ins. and Trust Co.'s stock did you purchase and held at the time of the suspension of the company?

Ans. About twenty-five hundred or three thousand shares of one hundred dollars each.

No. 71. Q. In that amount is there any stock included which had belonged to any of the trustees? If so, state to which of the trustees.

Ans. About five hundred shares of the stock belonged to Robert Bayard, then a trustee in this city. I purchased this lot at the brokers' board some sixty or ninety days before the failure of the company. I did not
177 know that this stock belonged to him until the transfer of it was made. I paid about ninety-five for it. I think it was all the stock Mr. Bayard then owned; he never purchased any afterwards. Mr. Bayard had advised me from time to time prior to this purchase to watch the board and keep the stock up.

EDWIN LUDLOW.

Examination adjourned to July 13th, at 10 o'clock, same place.

JULY 13th.

Mr. Edwin Ludlow appeared pursuant to adjournment, and Mr. Stanbery proceeded with the examination of Mr. Ludlow as follows:

No. 72. Q. Were loans made in the New York office to the clerks or employees in that office?

Ans. They were.

No. 73. Q. State the names of such employees and the am't of their loans respectively and upon what securities.

Ans. John Ackerman, a bookkeeper; the am't of the loans to him, I should think, was about ten thousand dollars; it was secured by Indianapolis and Cincinnati railroad stock, Cleveland and Pittsburgh railroad stock, and Madison and Indianapolis railroad stock. This practice of loaning to Mr. Ackerman commenced before my administration and continned during my administration. Part of this ten thousand loan was made during Mr. Rockwell's administration—say about three thousand dollars, and the residue was made during my administration. There was also a loan to Mr. Depew, the corresponding clerk in the office, of about five thousand dollars. This loan was made during the administration of Mr. Rockwell and continued during mine. This loan was secured by Cleveland and Pittsburg railroad stock. Both of these loans was standing at the time of the suspension.
178 No. 74. Q. What advice, if any, had the home office of the loans made to Ackerman & Depew?

Ans. The statement of the loan account sent from time to time, which showed these loans and the securities pledged there as collateral.

No. 75. Q. Were you limited by the home office in the extent or amount of the loans to be made for the office?

Ans. No; I was not.

No. 76. Q. State, if you can, what was the amount of the loans daily made for the office.

Ans. For some months prior to the failure they would average seven hundred and fifty thousand dollars per day.

No. 77. Q. From what banks or persons were you in the habit of borrowing?

Ans. From all of the large banks and bankers in the city.

No. 78. Q. State the highest amount you had at any one time borrowed from any of these parties.

Ans. The highest amount was from the American Exchange Bank, which has been as high as seven hundred and fifty thousand dollars.

No. 79. Q. Who was cashier of that company at the time you made these loans?

Ans. George S. Coe.

No. 80. Q. What relation did Mr. Coe bear to the trust co. at that time?

Ans. He was trustee resident in New York.

No. 81. Q. What do you know of a loan of the trust company to the Cincinnati and Marietta RR. Co.?

Ans. In October, 1855, a loan of one hundred thousand dollars was made to the Marietta and Cincinnati RR. Co. by the New York office, under instructions from the home office in Cincinnati.

179 No. 82. Q. What was the security for this loan?

Ans. The bonds of the said railroad co.

No. 83. Q. What agency had the home office in negotiating this loan to C. & M. R. R. Co.

Ans. The arrangements or terms were made at Cincinnati, the New York office being instructed to furnish the money.

No. 84. Q. Can you state the amount due by the New York office for money borrowed at the date of the suspension?

Ans. About two millions.

No. 85. Q. What rate of interest did those loans stand at?

Ans. I suppose the lowest was seven and the highest twelve to fourteen per cent.

No. 86. Q. Were these twenty years' certificates issued by the trust company paid off at the New York office during your cashiership?

Ans. The entire amount was paid off at the New York office, with the exception of about seventeen thousand dollars which matured after the failure of the company.

N. 87. Q. What was the amount so paid off and in what years?

Ans. About seven hundred and fifty thousand dollars in the years 1855, 1856, and 1857.

No. 88. Q. How was the money provided for the redemption of these certificates?

Ans. It was borrowed by the New York office.

No. 89. Q. What was the consequence of this operation to the New York office?

Ans. It increased its liabilities beyond its resources just that amount, which led to the greater necessity for borrowing.

No. 90. Q. What effect upon the credit of the company had this continued necessity for borrowing money?

180 Ans. It gradually weakened the credit until it finally destroyed the credit of the company and involved the necessity of paying a higher rate of interest and giving larger amount of collateral security.

No. 91. Q. For what length of time before the failure of the company was its credit impaired?

Ans. For six months.

EDWIN LUDLOW.

Examination of witnesses in the within-entitled cause adjourned to July 16th, at 10 o'clock a. m., at No. 74 Merchants' Exchange.

July 16th, no witnesses appearing, examination adjourned under notice to July 17th, at 11 o'c. a. m., of that day, at which time examination of witnesses proceeded with, at room No. 74 at Merchants' Exchange, as follows, viz:

Herbert Taylor, being duly sworn on the part of the plaintiffs in the above-entitled cause, this 13th day of July, 1861, gave answers to the interrogatories propounded to him by Mr. Stanbery, the counsel for plaintiffs, as follows:

No. 1. Q. What is your age and place of residence?

Ans. I am thirty-two years of age. I live in Birken Head near Cheshire, England.

No. 2. Q. Are you acquainted with the plaintiffs in this suit?

Ans. I am.

No. 3. Q. Were you agent for the plaintiffs at the time of the suspension of the Ohio Life Insurance and Trust Company?

Ans. I was made their agent and attorney after the suspension for the purpose of collecting their claims against the company.

No. 4. Q. Did you visit New York on that business? If so, at what time?

Ans. I did visit New York on that business, and arrived in New
181 York about the last of September, 1857.

No. 5. Q. State what connections, if any, you had with Mr. Stetson, the president of the company at that time?

Ans. I saw Mr. Stetson at the office of the company repeatedly from the first day of my arrival, and subsequently I informed him of the nature of my business and the am't of our claim as far as it had been ascertained at that time, and afterwards advised him as the claim became increased by bills which had been remitted to us and protested for non-payment. I made inquiry of Mr. Stetson on my arrival whether an assignment had been made of the assets of the company for the benefit of the creditors. He informed me that it had done and expressed a surprise that it had not been carried into effect at an earlier date than it was, for that from the first day of his arrival in New York he found the affairs of the agency in such a completely involved and incomprehensible state that he could never form the least conception as to whether the company were solvent or insolvent; that each day brought about disclosures serving to increase his anxiety and uncertainty as to the result; that he could not undertake to say, and for some time past had been unable to say, whether there would be assets enough to pay five, ten, or fifty cents on the dollar of the claims against the company, and that as he had duly advised his colleagues at Cincinnati of this state of things, it was unintelligible to him that they should have paid out the assets of the company as they did previous to carrying the assignment into effect.

No. 6. Q. Had you any conversation about the same time with Messrs. Coe & Steadman?

182 Ans. I had. I was introduced to them by Mr. Dwight Johnson as the trustees resident in New York. I made known to them that I was the agent of Messrs. Bell & Grant, and expressed my surprise that the assets of the company should have been paid out in Cincinnati. They each expressed their concern at the unfortunate position in which we were placed, and added that it was unintelligable to them that the Cincinnati trustees should have pursued the course they did in not making an assignment at an earlier date. Neither of them could undertake to give me the least idea as to what the unpaid creditors might expect out of the unpaid assets of the company.

HERBERT TAYLOR.

James Lee, being duly sworn on the part of the plaintiff in the above-entitled cause this 17th day of July, gave answer to the interrogatories propounded to him by Mr. Stanbery, the counsel for plaintiffs, as follows:

No. 1. Q. Where do you reside? What is your business?

Ans. I reside in the city of New York, and am a merchant. I am one of the firm of James Lee & Co.

No. 2. Q. Did your house have any transactions with the office of the Ohio Life Insurance Co. in New York? If so, in what years?

Ans. We did have transactions with the office of that company in New York. Our transactions are very large with them. They occurred in the years 1856 and 1857.

No. 3. Q. What were the nature of these transactions?

Ans Loaning money to the company, and granting them credits on England.

No. 4. Q. State the magnitude of such loans and credits.

183 Ans. Amounting to from two to three hundred thousand dollars at one time.

No. 5. Q. In what form and upon what securities did you make your loans to the trust co.?

Ans. They gave me notes of the company signed by Mr. Ludlow, cashier, in the railroad bonds and notes and bills of individuals as collateral security sometimes. The notes given for the loans were made payable on demand, or sometimes at specific periods. All the notes and bills which were given as collateral security were endorsed by Mr. Ludlow as cashier.

No. 6. Q. What was the rate of interest upon the loans you made to the office here?

Ans Seven per cent.

No. 7. Q. Please explain the nature of the English credit.

Ans. The credit was granted on the Western Bank of Scotland. The bills made payable in London, against which credits Ludlow, as cashier, drew bills of exchange on the bank, payable in London. The condition of the credit was that Ludlow should remit or pay me to remit in time to pay the bills at maturity.

No. 8. Q. On what time were Ludlow's bills drawn?

Ans. Generally at sixty days; sometimes four months.

No. 9. Q. What was the consideration paid for this credit?

Ans. One per cent., being the usual bankers' commission.

No. 10. Q. How was the interest account arranged upon their credits?

Ans. Seven per cent.

No. 11. Q. To what extent did these credits reach at any one time?

Ans. Forty thousand pounds sterling.

No. 12. Q. Can you state whether or not the home office at Cincin-

184 nati had any knowledge of the transaction of your house with Mr. Ludlow, their cashier, and their extent?

Ans. As the transactions were very large I thought it prudent to send my son to the home office in Cincinnati to ascertain whether they were aware of the extent of Mr. Ludlow's operations with us. My son, Benjamin C. Lee, who was a member of our firm, proceeded to Cincinnati, and had an interview with Mr. Stetson, and explained to him the extent of these transactions, and inquired if he was aware of them. This was on or about the 19th of December, 1856. On my son's return from Cincinnati he informed me that Mr. Stetson informed him that he was fully aware of these operations, and that the company was responsible for all of Mr. Ludlow's acts. Very soon after my son's return we received the following communications, being two letters, both dated 19th of December, 1856, one signed by C. Stetson,

pres't, addressed to our house herewith exhibited mark C. W. Newton, U. S. com., "A," the other signed by C. Stetson, addressed to my son, B. C. Lee, herewith exhibited, marked C. W. Newton, U. S. com., "B." Both these came in one envelope, addressed B. C. Lee, esq., care of James Lee & Co., bankers, New York, which envelope is also herewith exhibited, bearing the Cincinnati post office mark, Dec. 19th, with a three cent postage stamp on same, which is herewith marked Exhibit "C," C. W. N. Upon the strength of these communications we continued our transactions with Mr. Ludlow.

JAMES LEE.

185 Examination of witness adjourned to July 19th, at 11 o'c. a. m., at room No. 74 at Merchants' Exchange, at which time and place the further examination of witnesses was postponed to the 20th of July inst., at 11 o'c. a. m., at the same place.

JULY 20th, 11 a. m.

Attended at room No. 74 Merchants' Exchange. No witness attending, examination postponed to July 22d, at 11 a. m., at the same place.

JULY 22nd, 11 a. m.

Attended at room No. 74 Merchants' Exchange. No witness attending, examination adjourned to July 23d, at 11 a. m. of that day.

JULY 23d.

Attended at room No. 74 Merchants' Exchange, and proceeded with examination of witnesses as follows:

George O. Depew being duly sworn on the part of the plaintiff in the above-entitled cause this 23d of July, 1861, gave answer to the interrogatories propounded to him by Mr. Stanbery, the counsel for the plaintiff, as follows:

No. 1. Q. What is your age, residence, and business?

Ans. I am 36 years of age; I reside in Westchester County, State of New York; I am not in any business at present; I have been in the employment of the Ohio Life Ins. and Trust Co. as clerk, &c.

No. 2. Q. In what capacity, and where were you employed by the Ohio Life Ins. Co.?

Ans. I was employed as corresponding clerk in the company's office in the city of New York. When I first went into the employment, in the
186 year 1852, I was a debit clerk, and continued in that capacity for two months or so. I then took the place of the note clerk, who was sick, and at the same time kept the transfer stock book of the company. After that I was a corresponding clerk, and continued such corresponding clerk until the suspension of the co.

No. 3. Q. Who kept the stock ledger?

A. I kept it, I think, up to January, 1857.

No. 4. Q. Who kept the stock dividend book of the company?

Ans. I did during the same time I kept the other stock books. I kept all these three stock books down to Jan., 1857.

No. 5. Q. Whilst you had the charge of the stock books did you make and send statements of the names of stockholders and amount of stock on the books of the office to the home office at Cincinnati.

Ans. I did.

No. 6. Q. How often were such statements made and sent.

Ans. Twice a year. These statements contained the names of persons holding stock on the books of the company, and the amount of stock held by each person.

No. 7. Q. Did you send to the home office any other statement concerning the stock? If so, what?

Ans. I sent a list every two years for election purpose. This statement contained the names of the persons holding stock and the amount of the same.

No. 8. Q. During the time you had charge of these stock books what examination, if any, by the trustees on any committee of trustees was made?

Ans. I do not remember of any examination of these books ever being made by any trustees or committee of trustees.

No. 9. Q. Do you know whether there was any account on the
187 books of the company at the New York office in the name of the cashier?

Ans. I did know that there was an account on the ledger of the company in the name of "E. Ludlow, cashier, special account." I find by a reference to the ledger now present that this account was opened Oct., 1855, and continued down to the time of the suspension of the company.

No. 10. Q. Can you explain the nature of this account, and of what the items consisted?

Ans. I cannot.

No. 11. Q. Who was the bookeeper that kept this ledger?

Ans. Mr. John Ackerman, who is dead. He died about a year ago.

No. 12. Q. Are you able to give a list of the books kept in the New York office? If so, please state them.

Ans. There was a ledger, debit book, credit book, office cash book, book for office checks paid, general bill book and office bill book, checks books, daily cash book, loan book, foreign registers, statement book, deposit book, interest or bond books, and bond ledger; there was a stock ledger, stock transfer book, stock dividend book, and a dividend and check book. They also kept a check book for dividends part due; also a register book of powers. They had letter books.

No. 13. Q. On what day did the office in New York suspend payment?

Ans. On the 24th of August, 1857.

No. 14. Q. Were you in the office on that day?

Ans. I was.

No. 15. Q. Was the office engaged in making payments on that day? If so, up to what time of day?

188 Ans. They were engaged in making payments up to about noon of that day.

No. 16. Q. What took place at noon of that day?

Ans. The sheriff took possession of the office?

GEO. DEPEW.

George S. Robbins, being duly sworn on the part of the plaintiffs in the above entitled cause, this 23d of July, 1861, gave answer to the interrogatories propounded to him by Mr. Stanbery, the counsel for plaintiffs, as follows:

No. 1. Q. Where do you reside? What is your business?

Ans. I reside at Neck, Westchester County, State of New York. I am a banker, doing business in the city and county of New York.

No. 2. Q. What length of time had you carried on the banking business in the city of New York?

Ans. Seventeen years.

No. 3. Q. During that time had you any business operations with the office of the Ohio Life Ins. and Trust Co., in the city of New York? If so, state the nature of the operations.

Ans. I had operations with the company; it consisted in loaning money to them.

No. 4. Q. What was the character of such loans?

Ans. They were loans subject to call, that is, payable on demand, the rate never exceeding seven per cent. interest, which was all we ever asked.

No. 5. During what time did you continue to make such loans?

Ans. Principally from 1854 to 1857.

No. 6. Q. With whom on the part of the New York office did you negotiate these loans?

Ans. Mr. Ludlow, the cashier.

189 No. 7. Q. What was the usual amount of your loans to Mr. Ludlow, the cashier?

Ans. They varied, ranging from twenty-five thousand to one hundred thousand dollars.

No. 8. Q. Are we to understand that the aggregate of all your loans amounted to one hundred thousand dollars, or how otherwise?

Ans. I mean to be undersood that at that time they owed us one hundred thousand dollars. The aggregate of all our loans would be much greater; they might amount to a million of dollars.

No. 9. Q. About what time did you cease to make these loans?

Ans. In the early part of 1857.

No. 10. Q. What was the cause of the cessation?

Ans. Want of confidence.

No. 11. Q. What was the cause of this want of confidence?

Ans. Irregularity in the mode of transacting their business, they being constantly borrowing money, which I regarded as inconsistent with the object and purpose of such an institution.

No. 12. Q. Did you refuse application of Mr. Ludlow for loans after the date of said cessation?

Ans. Yes.

No. 13. Q. Had you the means of knowing how the credit of the New York office of the trust co. stood here prior to the failure of the said co?

Ans. I knew that the credit of the company was suspected by some few parties for five or six months prior to their failure.

No. 14. Q. What was the character of the business of the parties you refer to?

Ans. Same as my own.

190 No. 15. In what way were you advised of their suspicions?

Ans. By personal intercourse and conversation with them.

G. S. ROBBINS.

Examination of witnesses adjourned to July 24th, at 11 a. m., at the same place.

JULY, 24th, 11 a. m.

Attended, and no witnesses appearing, the further examination of witnesses closed.

In circuit court U. S. for 7th circuit and southern district of Ohio.

JAMES C. C. BELL, ROBERT GRANT, AND JAMES MARTIN BELL
vs.
THE OHIO LIFE INSURANCE AND TRUST COMPANY, CHARLES Stetson, and others. } In chancery.

The defendants will take notice that the plaintiff will proceed on Tuesday, July 9, 1861, at room No. 79 Merchants' Exchange, Wall street, New York City, State of New York, to take depositions in the above-entitled case, be-

tween the hours of 9 a. m. and 5 p. m. of said day, and that the taking of depositions will be continued from day to day until completed.

Cincinnati, O., July 1, 1861.

HENRY STANBEY & N. C. McLEAN,
Att'rs for Pl'ffs.

Service of above notice is acknowledged.
July 1, 1861.

WORTHINGTON & MATHEWS,
Att'ys for Fosdick, Taylor, Luckey, Keyes, and Enyart.
COFFIN & MITCHELL.
CURWIN & WRIGHT,
Per A. WRIGHT.
J. L. MINER,
For adm'r of J. C. Wright, dec'd.

191 C. W. Newton, U. S. Com'r, "A."

OHIO LIFE INS. AND TRUST CO., *Cincinnati*, 19 *Dec.*, 1856.

Messrs. James Lee & Co., bankers, New York:

GENT.: I am authorized by the board of trustees of this company to assure you that any and all liabilities incurred by Edwin Ludlow, esq., as cashier of this company in New York, are and will be recognized and assumed by the institution to the full extent of any such liability.

Resp'f'y yours,

C STETSON, *President.*

Mr. B. C. Lee, New York:

D'R SIR: I trust this note will find you safe and sound among your kin.

I have availed of the hint or suggestion thrown out by you when here, and with this you will find the needful documents. I trust it is in such form as meets your views.

There is no need of my saying that this note and the letter are to be considered as confidential. Let me hear from you at your leisure.

Truly y'rs, C. STETSON.

Cincinnati, Dec. 19, '56.

192 UNITED STATES OF AMERICA,
Southern district of New York:

I, Charles W. Newton, a commissioner duly appointed by the circuit court of the United States for the southern district of New York, in the second circuit, under and by virtue of the acts of Congress entitled "An act for the more convenient taking of affidavits and bail in civil causes depending in the courts of the United States," passed February 20th, 1812, and the act of Congress entitled "An act in addition to an act entitled an act for the more convenient taking of affidavits and bail in civil causes depending in the courts of the United States," passed March 1st, 1817, and the act entitled "An act to establish the judicial courts of the United States," passed September 24th, 1789, do hereby certify that the reason for taking the foregoing deposition is, and the fact is, the witnesses' testimony is material and necessary in the cause in the caption of the said deposition named, and that they respectively live at a greater distance from the place of trial of the above-entitled case than one hundred miles. I further certify that a notification of the time and place of taking the said deposition, signed by me, was made out and served on the said defendants, Charles Stetson, Sylvester C. Parkhurst, who reside in the said city of New York, to be present at the said deposition and to put

interrogatories if he or they might think fit; and I further certify that none other of said defendants or their attornies reside within the distance of one hundred miles of the said city of New York, the said place of caption, and that they were otherwise notified of the taking of the depositions than by the notice hereto attached, and dated Cincinnati, Ohio, July 1, 1861. I further certify that on the seventh day of July, in the year of our Lord one thousand eight hundred and sixty-one, I was attended by attornies as stated in the caption of these depositions, and by the witnesses, who were of sound mind and lawful age, and the witnesses were by me first carefully examined and cautioned, and sworn to testify the truth, the whole truth, and nothing but the truth, and the depositions were by me reduced to writing in the presence of the witnesses and from their statements, and after care-
193 fully reading the same to the witnesses, they subscribed the same in my presence. I have retained the said depositions in my possession for the purpose of transmitting them by mail sealed up and addressed by me to "the clerk of the U. S. circuit court, Cincinnati, Ohio."

And I do further certify that I am not of counsel nor attorney for either parties in the said depositions and caption named, nor in any way interested in the event of the cause named in said caption.

In testimony whereof, I have hereunto set my hand and seal this 24th day of July, in the year of our Lord one thousand eight hundred and sixty-one, and of the independence of the United States the eighty-fifth.

CHARLES W. NEWTON,
United States Commissioner, duly appointed by the Circuit Court of the United States for the southern district of New York, in the second circuit.

194 JAMES C. C. BELL, ROBERT GRANT, AND JAMES MARTIN BELL
vs.
THE OHIO LIFE INSURANCE AND TRUST COMPANY, Charles Stetson, Abraham M. Taylor, S. S. L'Hommedieu, adm'r of John C. Wright, Samuel J. Broadwell, George Crawford, Nathaniel Wright, Samuel B. Keys, George T. Stedman, Charles G. Enyart, Sylvester C. Parkhurst, Samuel Fosdick, George Lucky, Clement Detrich, and Samuel Forrer, defendants.

In chancery pending in the circuit court of the United States for the 7th circuit and southern district of Ohio.

The plaintiffs in the above case will proceed on Monday, the 23d of September, 1861, at the office of the trustee of the Ohio Life Insurance and Trust Company, in Sebre's building, on Third street, Cincinnati, Ohio, to take depositions, between the hours of 10 a. m. and 5 p. m. of said day, and will continue the taking from day to day till the same are completed.

Cincinnati, Sept'r 18, 1861.

H. STANBERRY & N. C. McLEAN,
Attorneys for Plaintiff.

Service of the within notice acknowledged this 18th day of September, 1861.

CURWEN & WRIGHT, *for N. Wright.*
WORTHINGTON & MATTHEWS,
Atty's for A. Taylor et al.
S. J. BROADWELL.

Served Messrs. Coffin & Mitchell personally with copy of the within
195 notice, and mailed copies to Thos. Ewing, esq., Lancaster, Ohio, and A. G. Thurman, esq., Columbus, Ohio.

THOMAS M. JAMES.

Cincinnati, Sept. 18, 1861.

Depositions of Samuel P. Bishop, taken at the office of the trustee of the Ohio Life Insurance and Trust Company, in Selve's building, on Third street, Cincinnati, Ohio, on the twenty-third day of September, 1861, and at subsequent times as agreed upon by consent of parties, between the hours of 10 a. m. and 5 p. m. of said days, to be used as evidence on the part of plaintiffs in a suit of chancery pending in the United States circuit court for the seventh circuit and southern district of Ohio, wherein James C. C. Bell, Robert Grant, and James Martin Bell are plaintiffs and the Ohio Life Insurance and Trust Company, Charles Stetson, Abraham M. Taylor, S. S. L'Hommedieu, adm'r of John C. Wright, Samuel J. Broadwell, George Crawford, Nathaniel Wright, Samuel B. Keys, George T. Stedman, Charles G. Enyart, Sylvester C. Parkhurst, Samuel Fosdick, George Lucky, Clement Detrich, and Samuel Forrer are defendants, pursuant to the annexed notice, service of which was acknowledged Sept. 18, 1861, by Curwen & Wright, att'ys for N. Wright, Worthington and Matthews, for A. M. Taylor
196 *et al.*, S. J. Broadwell, and a copy of which was personally served on Coffin & Mitchell, att'ys, and copies of which were mailed or served Sept. 18, 1861, one to Thomas Ewing, att'y, and another to A. G. Thurman, att'y; and Henry Stanberry, attorney for plaintiffs, and S. J. Broadwell, defendant, were present on the first day of such examinations, and said examination proceeded as follows:

Samuel P. Bishop, of lawful age, being by me first duly examined, cautioned, and sworn, as hereinafter certified, deposes and says as follows:

1st question, by Henry Stanberry, esq, pl'ffs' att'y. What office did you hold in the Ohio Life Insurance and Trust Company, at Cincinnati, on the 24th of August, 1857, and how long had you held such office?

Answer. I was the assistant cashier, and had held that office since April, 1843; the cashier lived in New York and the assistant was the cashier at this place.

197 2nd question, by same. Into what departments was the business of the company distributed?

Answer. The trust department and the banking department.

3d question, by same. What business belonged to each department?

Answer. The business specified in the by-laws, a copy of which I mark A, and which is attached hereto and made part of my deposition.

4th question, by same. What was the capital in these departments?

Answer. Two millions of capital and stock.

5th question. Was that stock all outstanding on the 24th of August, 1857?

Answer. By reference to the books it was all outstanding at that time.

6th question, pl'ff. How was the two millions of this capital stock invested?

Answer. According to the books it was originally invested on real estate security, according to the charter.

198 7th question, pl'ff. What amount remained so invested on the 24th of August, 1857, or the date of the suspension of the company?

Answer. One million two hundred and fifty-nine thousand one hundred and eighteen dollars and fifteen cents ($1,259,118 15.)

8th ques., pl'ff. How was the residue invested at that date?

Answer. I am not able to answer how it was invested; it went into the general business of the company.

9th question, pl'ff. Can you state from the books what amount of the stock was owned in Ohio at the date of the suspension of the company?

Answer. I am not able to give the residence of the stockholders; I can only show the amount upon the stock books kept at Cincinnati. The amount standing upon those books July 6, 1857, the time of dividend, was eleven hundred and seventy-two shares, $100 each, amounting to $117,200.

10th question. Upon what books did the balance of the stock stand?

199 Answer. Upon the stock books in the office in New York City there were registered eighteen thousand eight hundred and thirteen shares, and there were in transit between the two offices fifteen shares. Upon further examinations of the names of the stockholders upon the Cincinnati register I find stock registered here to be all held in Ohio or the west as I believe; on examination of the New York list I find five hundred and seventy-seven shares held west of the mountains as far as I know; as far as I know the balance upon the New York list; they reside east, but as to a great many upon that list I know nothing of their residence.

11th question, pl'ff. What dividends were declared from and including the year 1855?

Answer. The following: in Jan'y, 1855, 3½ per cent.; in July, 1855, 4 per cent.; in January, 1856, 4 per cent.; in July, 1856, 4 per cent.; in Jan'y, 1857, 4½ per cent.; in July, 1857, 5 per cent. All these dividends were made upon the capital stock of $2,000,000 00.

12th question, pl'ff. What capital or fund formed the basis for the banking department?

200 Answer. Originally it was made up of two loans amounting together to $600,000.

13th question. When were these loans repaid?

Answer. In April, 1856, those loans were all repaid.

14th question. What other capital or fund was substituted after the payment of these loans?

Answer. Subsequently we did business upon our deposits; we had no specific fund or capital for banking business after these loans were repaid, designated as banking capital.

15th ques., pl'ff. Did the company raise money at any time by the issue of certificates having a long time to run? If so, state the particulars.

Answer. The above loans of $600,000 were upon a credit of twenty years, for which certificates were issued.

16th ques., pl'ff. When was the New York agency established?

Answer. In the fall of the year 1838.

201 17th ques., pl'ff. Please examine the minutes of the trustees, and state if you find the rules established for the New York agency.

Answer. I have examined the trustees' books, and I find on the 12th of July, 1843, page 75, of book 1, of trustees' minutes, the following:

"1st. All loans shall be called in forthwith, and no money shall be loaned or advanced by the agent in any case unless specially authorized by this board."

2d. "No contracts shall be made by the agent for the purchase of stocks or other securities, unless authorized as before named."

3d. "The agent shall not sell or dispose of the stocks or securities of the co., except under the direction of this board, unless it be necessary to do so to protect the credit of the company."

4th. "The agent shall not embark in any business or enterprise, except on account of the company."

"Which amendment was negatived."

"The original resolution was then called for and adopted, in the following terms:

"*Resolved*, That in the opinion of this board the continuance of the agency at New York is called for by the interests of the institution."

"Messrs. Williams, Wright, Walker, Burnett, Baldridge, Lucky, Disney, Stetson, Taylor, and Swayne voting in the affirmative, and Mr. Fosdick in the negative."

"On motion it was further

202 "*Resolved*, That the agent in New York shall not hereafter engage in any regular business other than that of the company;" "nor shall he loan the money of the company, except with the consent of four or more of the trustees resident in New York; nor shall he sell or otherwise dispose of the stocks held by the company unless so directed by the board of trustees."

"All the members voted in the affirmative for this resolution."

In page 502 of the same volume, (1,) of date February 14, 1855, I find the following:

"First. That the trustees, from circumstances that have transpired from time to time at the agency in New York, have been forced to the conclusion that the leading motives for establishing and continuing said agency have been misunderstood; that its creation was, and its continuance is, for the sole purpose of affording facilities here, and not with the object of making loans at the agency when the funds can be employed here with safety, nor for any direct profits expected from said agency."

"Second. That any pledges or encouragement heretofore given out at the agency to depositors that they can rely on an advance of funds when called for by them should be withdrawn at the earliest period that the same can be done without prejudicing the interests of the company."

"Third. That the existing loans be called in and reduced with as

203 much promptness as circumstances will warrant."

Fourth. That for all loans hereafter made the assent or approval of one or more of the trustees at New York shall be had, and no loan shall hereafter be made without good and available stock as collateral security, with a margin of at least 20 per cent. excess between the market value of the stock and the amount of the loan, which margin shall be kept good during the continuance of the loan, and all loans shall be subject to payment on not exceeding five days' notice.

Fifth. In no case shall a loan be made on the stock of this company.

Sixth. The cashier will transmit weekly a brief statement of the loans made, giving the name of the actual borrower, amount, security, rate of interest, subject to what notice for payment, and the name of the trustee assenting.

Seventh. The trustees of the company are of the opinion that the interests of the institution will be more promoted by having the agency regarded as a place where borrowers can be accommodated at low rates of interest on unquestionable securities than where loans are made at higher rates on questionable securities.

18th question, pl'ff. Please turn to the letter book of C. Stetson, pres. of the co., of June 29, 1857, and exhibit a copy of the letter of that date

204 to E. Ludlow, esq., cashier.

Answer. I herewith exhibit a true copy marked "B," and attached to my depositions as part of the same.

19th ques., pl'ff. Please exhibit from same letter book copy of Stetson's letter to James Lee & Co. of date Dec. 19, 1856.

Answer. I herewith exhibit a true copy marked "C," and attached to my depositions as part of the same.

20th ques. Please exhibit from the same letter book a copy of Stetson's letter to Ludlow of date June 5, page 64.

Answer. I herewith exhibit a true copy marked "D," and attached to my deposition.

21st ques. At the date of these letters was Stetson president of the trustees of said co., and Ludlow cashier thereof?

Answer. Stetson was president of the co., and Mr. Ludlow was the cashier, during the dates of those letters.

22nd ques. Are the copies you have exhibited taken from the official letter books of the president kept in the office of the company?

205 Answer. They were taken from the official books in the office.

23d ques. How often did the New York office send balance sheets of the condition of that office to the home office at Cincinnati?

Answer. Semi-monthly, on the first and fifteenth of each month.

24th ques. What did their balance sheets contain?

Answer. They contained a statement of balances due by that office to its correspondents and depositors, and also a statement of the means and balances due to that office.

25th ques., pl'ff. Please exhibit the last balance sheet received from the N. Y. office prior to the suspension of the co.

Answer. The last balance sheet I find in this office from the N. Y. office bears date August 16, 1857, and I presume this was received before the suspension; but of this I am not certain, and I attach a copy of the original hereto, marked "E."

206 26th ques. Which columns of said exhibit show the means or assets of the N. Y. office?

Answer. The left-hand columns and the right hand-column exhibit the liabilities.

27th ques. How do you explain the first item in left-hand column, purporting to be due from office in Cincinnati?

Answer. It means that the office of the Trust Co. in Cincinnati was indebted to the office in N. Y. in that amount.

28th ques. How do you explain the item loans in same column?

Answer. I believe that means moneys owing to the office, that he had loaned out in that office.

29th ques. On wl at securities were these loans made by Ludlow, cashier?

Answer. I believed at that time they were loaned in accordance with his instructions from the home office, as set forth in answer to the 17th question here, but I ascertained after the suspension that such was not the case.

30th question. Did the items of loans first appear in the balance sheet of August 16, 1857, or did similar items appear in prior balance sheets

207 from N. Y. office?

Answer. I have examined the balance sheets as far back as May, 1851, and find such an item in all of them.

31st ques. What was the amount of this item in the balance sheet of May 1, 1851.

Answer. It was eight hundred and thirty-three thousand six hundred and fifty-three dollars and sixty-eight cents. I have examined the balance sheets from May, 1851, to August, 1857, and am of the opinion that the average of the loans during that time would amount to $1,000,000.

32d ques. Had the office at Cincinnati any means of ascertaining the terms and securities upon which these loans were made? If so state what they were.

Answer. I had not charge of that part of the business, but I find in the office reports from Ludlow of a portion of these loans; this part of the business was under the charge of the president.

33d ques. Please exhibit the last of these reports which you find prior to the suspension.

208 Answer. The last statement I find is one of May, 1857, which I hereto attach, marked F.

Thereupon the further taking of this deposition was continued till to-morrow morning, Tuesday, September 24, 1861, at ten o'clock.

TUESDAY, *Sept.* 24, 1861, 10 *o'clock a. m.*

The same parties appeared and the examination proceeded as follows. Coffin and Mitchell also present.

34th ques. Does that statement show on what time or rate of interest these loans were made?

Answer. It does not.

35th ques. Can you explain how it was that some of these loans appeared to be of many years' standing?

Answer. No, sir, I cannot. I can only state as to two of the loans to Coe and Stedman, trustees in N. Y. They were made on stock and I suppose they were allowed to stand so long because they were trustees.

36th ques. Was it the practice of the company to allow the trustees

208½ to have permanent, that is to say, renewable, loans and if so, for what length of time?

Answer. All loans so far as I know were demand loans subject to call whether to trustees or others. I refer now to loans in Exhibit F.

37th ques. Why then did you say in answer to question 35 that you suppose the loans to Coe and Stedman were allowed to stand because they were trustees?

Answer. I can only answer, in a general way, that I suppose they were not in want of the money. It not being needed they were allowed to stand

38th ques. In loans made at the home office was there a practice of making long or renewable loans to trustees?

Answer. It was the general practice of the co. not to allow renewals to any party and not to promise them, and I don't know that there was to trustees except as provided in the seventeenth section of the charter, Exhibit A.

39th ques. What was the usual amount loaned to a trustee under that section?

209 Answer to 39th ques. They would vary from $5,000 to $20,000; some had none.

40th ques., pl'ff. How much did Mr. Stetson, the president, owe the co. as principal debtor at the time of the suspension of the co.?

Answer. I refer to my former depositions in this case as an answer to this question.

41st ques. Were the collateral securities for loans made in N. Y. office forwarded to the home office?

Answer. They were not.

42d ques. What means had the board of trustees here of knowing that such collaterals were in the office at N. Y.?

Answer. From the reports sent them from the cashier at N. Y., approved by the trustees resident in N. Y., some of these reports having the signature of Mr. Coe, and some purporting to have the signatures of other trustees, and others not purporting to have any approval.

43d ques. Were any examinations of the N. Y. office made for three years immediately preceding the suspension? If so state the particulars.

210 Answer to 43d ques. In the spring of 1856 a report was received from N. Y. from Bayard, Steadman & Coe, trustees in N. Y., purporting to be a result of their examination of the office.

44th ques. Is that report now present? If so, please exhibit the same or a copy thereof.

Answer. I herewith exhibit a copy and attach same hereto, marked "G." I also believe that Exhibit "F" is the result of an examination made by the trustees in 1857.

45th question. Upon what is your belief founded?

Answer. My recollection is that it was accompanied by a letter from Mr. Coe, but I cannot now put my hands on that letter. I will look for it.

46th ques. Does Exhibit "F" show anything but the loan ac't?

Answer. It only shows the loan ac't.

47th ques. Do you recollect any other examinations?

Answer. I do not, sir.

48th ques. Is the journal or minutes of the board of trustees, from
211 the date of the suspension, August 24, 1857, till the date of the assignment, September 26, 1857, now present? If so, please exhibit a copy of the same.

Answer. It is; and I now exhibit a copy of the same, except the deed of assignment, and attach it hereto, marked "H."

49th ques. When was the last balance sheet of the condition of the trust co. prior to the suspension made out?

Answer. The last general statement was made out August 17, 1857.

50th ques. Is that statement now present? If so, please exhibit a copy of the same.

Answer. It is present, and I now exhibit a copy marked "I," and hereto attached.

51st ques. Does that statement purport to show the condition of the entire company, including both departments at Cincinnati and the agency at N. Y.?

Answer. It does.

52nd ques. What amount of assets, over all liabilities, is shown by that statement?

212 Answer. $283,580 51.

53d ques. Have you been engaged, since the suspension, in winding up and investigating the affairs of the trust co.?

Answer. I have been engaged as clerk of the assignees and trustees all the time until this date, except the time intervening between Oct. 18, 1858, and Jan. 25, 1859.

54th ques. Have you, during that time, made examinations at the New York office and the home office, to ascertain the condition of the co.?

Answer. I have assisted as clerk at such examinations both in N. Y. and here.

55th ques. As the result of such examinations can you give an opinion as to the actual condition of the co. on the 24th day of August, 1857?

Answer. I cannot give an opinion of that date.

56th ques. At what date, if any, subsequent to the suspension, can you give an opinion as to the condition of the company?

Answer. On the 8th of Sept., 1858, the assignees of the company issued to the creditors and stockholders an approximate statement of the condition of the affairs of the company, at that date, which I assisted in pre-
213 paring and which I believe showed about the true condition of said co. at that time. Said statement shows a deficit of, and loss or excess of liabilities of $3,270,200 72, a copy of which I attach hereto, marked "K."

57th ques. What amount of claims against the co. have been admitted by the trustee?

Answer. Up to this date he has allowed claims against the co. to the amount of $1,096,220 20, for which certificates have been issued.

58th ques. Is interest on the allowed claims since August 24, 1857, included, or only the principal in said sums?

Answer. Interest is not allowed beyond the 24th of August, 1857, except in some few of the accounts where we cast up interest to Sept. 1 or Sept. 5, 1857.

59th question. Are there, in addition, some claims against the co. yet unadjusted?

Answer. There are.

60th ques. What dividends have been declared out of the assets on these claims so allowed?

Answer. Two dividends, of ten per cent. each.

214 61st ques. According to your best judgment what further dividend can reasonably be expected?

Answer. I believe the assetts will pay a further dividend of fifteen per cent.

62nd ques. About what time will it take, in your opinion, to realize the further dividend?

Answer. I believe within two years.

Thereupon the further examination of said witness was continued till tomorrow, Wednesday, Sept. 25, 1861, at 10 o'clock a. m.

SEPT. 25, 1861, *Wednesday*, 10 *o'clock a. m.*

The same parties appeared, and thereupon the further taking of these depositions was continued till Monday, Sept. 30, 1861, between 10 a. m. and 5 p. m.

MONDAY, *Sept.* 30, 1861, 10 *o'clock a. m.*

Mr. Stanberry, att'y, and S. P. Bishop, witness, being present, said examination was resumed; S. J. Broadwell also present.

63d ques. Is the New York stock ledger now in this office?

Answer. It is. It was brought from the New York office by Mr. Kilbreth early in 1861.

64th ques. Does that ledger show stock in the name of E. Ludlow?

215 Answer. It does both in his individual name and as cashier.

65th ques. Please exhibit a copy of that account showing stock in his name as cashier?

Answer. I herewith exhibit a transcript of that account, which is marked "L" and attached hereto. The credit side of that account exhibits the transfers of stock to him, the date of transfers, and the persons from whom transferred. And the debit side shows the transfers made by him, their dates, and to whom made.

66th ques. Please examine the stock account in same ledger in the individual name of E. Ludlow, and state when it begins, and down to what date it continues.

Answer. The ledger now before me is numbered Stock Ledger No. 3. The account commences in said ledger January 1st, 1850, and is continued to the 18th of August, 1857, when a balance was struck showing (113) one hundred and thirteen shares to his credit.

67th ques. What according to that account is the whole number of shares which were transferred to his credit between the dates you have above specified?

216 Answer. Three thousand seven hundred and seventy-seven (3,777) shares.

68th ques. What advice had the home office at Cincinnati of the stock standing on the books at the N. Y. office?

Answer. The transfers of stock at the N. Y. office closed some twenty

days before each dividend in January and July of each year, and a list of stockholders upon those dates was sent to the secretary of the co., in Cincinnati. These lists contained the names of the stockholders and the number of shares held by each. These lists from Dec., 1855, to June, 1857, inclusive, except the list for June, 1856, which I have not yet been able to find, are now present.

69th question. Do these lists show stock in the name of Ludlow as cashier and individually?

Answer. They all show stock in his individual name, and all but that of June, 1857, in his official capacity.

70th ques. What was the object of sending these lists of stockholders prior to dividends?

Answer. I suppose to show to whom the dividends were payable.

217 71st question. How or from what evidence so far as the stock on the New York books is concerned was the list of stockholders made up at the biennial elections of the board of trustees?

Answer. Once in two years lists of the stockholders were sent from the N. Y. office preparatory to the election to ascertain who were entitled to vote. I have now present the biennial list from New York, of September, 1856.

72nd ques. Do you find stock in Ludlow's name on that list?

Answer. I do, both as cashier and individually.

73d ques. Is the poll book of the election of Sept., 1856, now present?

Answer. It is. It shows that Ludlow individually voted one hundred and seventeen shares.

74th ques. Did he vote in person or by proxy? and if by proxy name the proxy.

Answer. He voted by proxy. His proxy was given to Chas. Stetson, or George Stedman, or Samuel B. Keys, or Vachel Worthington, and his vote was cast by C. Stetson. All those named were then trustees except Vachel Worthington.

218 75th question. Please turn to the minutes of the board of trustees of the 28th of October, 1848, and exhibit copy of same.

Answer. It is now before me on pages 349 and 350, and I herewith exhibit a copy of the same, which is hereto attached marked "M."

76th ques. Where was the list of debts of $595,217 03 stated in that estimate created, at the home office, or at the N. Y. agency?

Answer. At the N. Y. agency.

77th ques. What was the reason of their transfer from the N. Y. agency to the home office?

Answer. I do not know the reason.

78th ques. What was done with their debts at the home office?

Answer. Charged to profit and loss as uncollectable; very nearly $100,000 has been realized, however, upon the first item, and a portion, I cannot say how much, of the second item has been collected. I think about $20,000. I do not know of any more collections having been made upon them, although I do not know that no more has been collected.

219 79th ques. Did the practice of making loans at the N. Y. agency continue after the date last above?

Answer. It did.

80th ques. Were any London credits opened in the N. Y. agency after the same date?

Answer. I did not know of any such until I discovered it after the suspension. I was aware there was an account with Bell & Grant, of London, but did not know its nature.

81st ques. Were deposits received by the N. Y. agency?

Answer. They were, all through the time of that agency.

82d ques. Was interest allowed to depositors at that agency? and at what rate? and by whom fixed?

Answer. Interest was allowed. The rates, I suppose, were under the control of the cashier, and I find by letter of Stetson, pres., to the N. Y. cashier, dated April 26, 1854, that the cashier at N. Y. was instructed to advance the rates of interest to 5 per cent. I annex a copy of that letter from letter book of president, marked N.

220 83d ques. Please examine the semi-monthly statements of the N. Y. office for the two years last before suspension, and state what was about the usual or average deposit in that office.

Answer. I have examined the accounts, and find an average of about two millions of dollars, ($2,000,000.)

84th ques. How does that compare with the deposit of the home office for the same time?

Answer. They were about equal.

85th ques. Did Mr. Stetson, the president, start for N. Y. about the time of the suspension?

Answer. He left here the Friday preceding the Monday on which the company suspended.

86th ques. What caused him to go at that time?

Answer. My present remembrance is that he received a despatch from Geo. S. Coe requesting him to come on.

87th ques. How long did he remain at N. Y.?

Answer. He remained then from the 23d of August, 1857, till about the 23d of November in the same year.

221 88th ques. With what officer of the home office did he communicate, either by telegraph or by letter, after his arrival in N. Y?

Answer. He corresponded with myself as assistant cashier, and Mr. Samuel Fosdick as vice-pres't or president *pro tem.*

89th ques. Were his communications submitted to the trustees?

Answer. My present remembrance is they were all laid before the trustees.

90th ques. Are these communications now present?

Answer. They are.

91st ques. Please exhibit his dispatches of Aug. 24 and 26, and Stetson's letters of Aug. 24, Aug. 31st, Sept. 5, Sept. 18th, and Sept. 24th.

Answer. I prefer to keep the originals in the office, but furnish true copies, marked "O," and hereto attached.

92d ques. In answer to ques. 42 you state that some of the reports of loans sent from N. Y. office were approved by signature of trustees, and some not. Please state how the signature was appended to those reports.

222 Answer, (92d ques.) The name of the trustee so appearing was written opposite each loan.

93d ques. Was such signature the proper handwriting of the trustee?

Answer. But few had the actual signature of the trustee. They were principally in Ludlow's handwriting.

94th ques. What means had the office at Cincinnati of knowing that the trustees whose names were so appended by Ludlow had actually approved those loans?

Answer. None, except the reports themselves.

Thereupon the further taking of these depositions was continued until to-morrow, Oct. 1, 1861, between the same hours.

TUESDAY, *October* 1, 1861, 10 *o'clock a. m.*

Mr. Stanberry, att'y, and J. P. Bishop, witness, being present, the further taking of these depositions was continued until to-morrow, Wednesday,

October 2d, 1861, between the same hours, in order to give an opportunity to the commissioner to copy exhibits.

WEDNESDAY, *Oct.* 2, 1861, *at* 10 *a. m.*

Present: The same parties. And thereupon the further taking of this deposition was continued to to-morrow, Thursday, Oct. 3, 1861, between
223 the same hours.

THURSDAY, *Oct.* 3, 1861, 10 *o'clock a. m.*

Present: The same parties. And thereupon the examination of J. P. Bishop was adjourned until to-morrow, Friday, Oct. 4, 1861, between the same hours.

FRIDAY, *October* 4, 1861, 10 *o'clock a. m.*

Messrs. Stanberry, Broadwell, and Mr. E. Curwen present. And thereupon this examination was adjourned to to-morrow, Saturday, October 5, 1861, between the same hours.

SATURDAY, *October* 5, 1861, 10 *o'clock a. m.*

Present: The same parties as yesterday. And thereupon the examination of Mr. Bishop proceeded as follows:

95th ques., by Mr. Stanberry. Please state what action was taken by the board of trustees upon the report of the N. Y. trustees of May 1, 1856, marked Exhibit G.

Answer. I find no action in the minutes book, but I find a letter of the president, dated May 15, 1856, a copy or which is hereto attached, marked "P."

96th ques. Did the home office thereafter send to the N. Y. trustees detailed statements of the condition of the home office, agreeably with the request in the postscript to the letter accompanying the report of the N.
224 Y. trustees?

Answer. Not to my knowledge.

97th ques. Did the home office thereafter instruct Mr. Ludlow to cease the practice of making loans upon the security of RR. stock and bonds?

(Objected to by Mr. Curwen, att'y for N. Wright, as leading.)

Answer. I have no knowledge of any such instructions.

98th ques. Was the home office made acquainted by its correspondents of errors in the N. Y. ac's during the cashiership of Mr. Ludlow?

Answer. It was.

99th ques. Were these complaints frequent or otherwise?

Answer. Previous to the spring of 1857, say the month of April or May of that year, they were rather frequent. About that date, through Mr. Andrews, the president of the board of control of the State Bank of Ohio, we were apprised that all the accounts with the State Bank of Ohio were satisfactory. The complaints had principally been from those branches.

225 100th ques. Please exhibit copy from letter book of the letters of Stetson, pres't, to Ludlow, of the date of Nov. 12, 1855.

Answer. I find in the official letter book a letter of that date, of which a true copy is hereto attached, marked "R."

101st ques. Please exhibit copy of letter from same to same of the date of April 18, 1856, from letter book.

Answer. I now exhibit a copy of such letter, which is hereto attached, marked "S."

102nd ques. Please exhibit a copy of letter from Stetson, pres., to N. L. Wilson, pres., dated Oct. 31, 1855.

Answer. I now exhibit such copy from the letter book, marked "T," and hereto attached.

103d ques. Please exhibit copy of letter from Stetson, pres't, to Ludlow of Nov. 1, 1855.

Answer. I now exhibit copies of two letters of that date from the letter book, which are hereto attached, marked "U" and "V."

Thereupon the further taking of this deposition was adjourned until Monday, Oct. 7, 1861, between the same hours.

226 MONDAY, *Oct.* 7, 1861, 10 *o'clock a. m.*

Present: Mr. Stanberry, Mr. Broadwell, and Mr. Curwen, and Mr. Bishop, the witness, and the examination proceeded as follows:

104th ques. Were there any transactions between the home office and the Cleveland and Pittsburgh RR. Co.? If so, state what were they.

Answer. There were none to my knowledge.

105 ques. Did the home office make any loan based on the bonds or stock of that co.?

Answer. I know of no other connections of the home office with the C. and P. RR. Co. than that through Gilbert & Johnson.

106th ques. What was that transaction?

Answer. I knew there was a debt existing in the N. Y. office against Gilbert & Johnson; I supposed it was about $60,000, but have since ascertained it was between $42,000 and $43,000. I know from books and papers and books in the that Gilbert had a contract with the Cleveland and Pittsburgh RR. Co. to furnish iron to that co.; and I further know from the books and papers that means were furnished Gilbert to carry out that contract by Ludlow.

227 107 ques. Upon what authority, if any, did Ludlow furnish these means?

Answer. So far as I have been able to find from the books, the authority was contained in the resolution of the board of January 23, 1856, of which the following is a true copy:

"Whereas the trustees in New York having asked a reconsideration of a proposition of W. W. Gilbert, of New York, for a credit predicated on a contract between him and the Cleveland and Pittsburgh RR. Co., submitted to the board in December last and at that time declined, a reconsideration having been had on the inst. with the same result, yet, at the suggestion of one of the board averse to the matter, the same has been again submitted this day and the following resolution adopted:

"*Resolved*, That this board, believing the trustees residing east are in better position to judge of the expediency of granting the application of Mr. Gilbert, the same be referred for their action, with the recommendation that it be carried out if, in their judgment, it can be done with entire safety to this company and that it is important to their interests in view of the existing liability of Mr. Gilbert to this company."

108th ques. What was the amount of credit agreed to be issued by the home office as above?

228 Answer. I am not able to say what the amount was.

109th ques. In what way was the trust co. to be paid for the credit?

Answer. I know from the accounts of the transaction subsequent to that, that we charged him a commission of $1 50 per ton upon six thousand tons.

110th ques. What amount of money did the co. advance under this credit?

Answer. In the same account of Gilbert & Johnson I find the advance to be $60,000.

111th ques. Can you now state what was the amount of the credit agreed to be furnished to Mr. Gilbert?

Answer. As I understand the proposition of Mr. Gilbert, it was for $300,000.

(Mr. Curwen, for N. Wright, objects to the statement of the contents of any document by the witness.)

112th ques. If you refer to a paper for the answer last above, please produce the same.

Answer. I refer to a paper for that answer, and now produce the same, a copy of which is hereto attached, marked "W."

229 113th ques. What amount of assets were paid out by trustees at Cincinnati between the (15th) fifteenth and twenty-seventh days of September, 1857?

Answer. I exhibit herewith a statement of the 17th day of September, 1857, which shows the condition of the co. on the closing of business on the 16th September, a copy of which is attached hereto, marked X. I also exhibit a statement of the 26th of September, showing the condition of the co. at the time of the assignment, a copy of which is hereto attached marked "Y." On examination of those two statements will show what assets were disposed of between those dates.

114th ques. Please examine the two statements last above referred to, and state what amount of assets they show to have been paid out between the said dates.

Answer. In the trust department, $409,846 05; in the banking department, $576,084 21.

Thereupon the further taking of these depositions was adjourned till Wednesday, October 9, 1861, between the same hours.

WEDNESDAY, *Oct.* 9, 1861, 10 *o'clock a. m.*

230 Present: Messrs. Stanberry, Broadwell, Curwen, and Bishop, witness.

115th ques. What officer of the home office drew checks on the New York office?

Answer. I did, as assistant cashier. An account was kept under my supervision with the N. Y. agency, showing our checks upon that agency, and our remittances to same.

116th ques. Was it your business to examine the semi-monthly statements from the N. Y. office as to this part of the account?

Answer. It was; and when there were any errors found it was my business to have them rectified.

117th ques. What item in New York statements represents the balance due from the home office to the N. Y. office?

Ans. The item is called "office at Cincinnati."

118th ques. Was any complaint made by Mr. Ludlow of the amount of this item?

(Mr. Curwen, for N. Wright, objects to the witness stating the contents of any correspondence.)

Answer. He frequently requested us to withhold our checks for a time according to the state of the money market in N. Y.

231 119th ques. Please exhibit letter from Ludlow to Stetson, of May 5, 1855.

Answer. It is present, and I herewith exhibit a copy of the same, which is hereto attached, marked "Z."

120th ques. Please examine the statements from N. Y. agency, and state what was the balance due from home office to N. Y. office on the 1st day of each month, from Jan. 1, 1857, to August 1st, 1857, inclusive.

Answer. The amounts were as follows, as appears by the statements:

On January 1, 1857	$878, 848 96
On February 1, 1857	660, 346 30
On March 16, 1857	844, 882 40
On April 16, 1857	1, 016, 849 18
On May 1, 1857	907, 014 39
On June 1, 1857	582, 416 40
On July 1, 1857	1, 020, 537 34
On Aug. 1, 1857	698, 474 64

121st ques. Please exhibit a copy of Stetson's letter to Ludlow, of Dec. 2, 1856.

Answer. I now exhibit a copy of the same from the official letter book, which is hereto attached, marked "1."

232 122nd ques. Exhibit also letter from same to same of June 30, July 6, July 7, 1857.

Answer. I now exhibit copies of the said letters from the official letter book, that of June 30 marked "2," that of July 6 marked "3," and that of July 7 marked "4," and all hereto attached.

123d ques. Please examine the loans at N. Y. office from January, 1857, to Aug. 1857, and state what loans were made then to E. Ludlow, and upon what security.

Answer. Upon examination of the loan book of the New York office, which book was kept in N. Y., but is now present, I find the following loans made to E. Ludlow upon the following securities:

Jan'y 8, 1857, $5, 101 10. No security stated. P'd Ap'l 21.

April 8, $12,190 56. In the margin I find marked $10,000 p'd April 10. Security, 125 shares Trust Co. stock. $2,191 56 paid April 22.

June 2, $4,353 26. 50 sh's O. Trust Co. st'k.

June 22, 10,023 33. 125 " "

July 1, 12,000 00. 150 " "

July 7, 3,000 00. In pencil, 40 sh's trust co. st'k.

July 23, 5,000 00. Ohio co.

July 29, $4,000 00 In pencil 5 M. C. & P. b'd's & N. & W.

233 123d question. Which of these loans appear to stand open, and which appear to be paid?

Answer. The book shows, in addition to the payments mentioned in last answer, $10,000 paid on June 25th, on ac. of loan of June 22, and all the rest appear to be open.

124th question. Please exhibit from same book all the loans appearing therein to any trustee of the co., or any clerk or employee thereof, with the respective securities therefor, except loans to E. Ludlow.

Answer. I find the following in the N. Y loan book:

Oct. 5, 1854, S. E. Foote, trustee, $5,000, 100 Nor. & W. RR. st'k, and 50 sh's O. T. Co. st'k.

January 12, 1855, C. W. Rockwell, cash'r, $2,400, 30 sh's O. L. & T. Co. st'k.

May 29, George S. Coe, trustee, $4,050, 50 sh's O. T. Co. st'k.

June 4, Chas. J. Stedman, trustee, $4,000, 50 sh's "

June 22, John Ackerman, B'k K, $3,721 25, 50 sh's Cin. H. D. RR.

Aug. 3, Chas. J. Stedman, trustee, $5,000, 35 sh's Cin. H. D. RR., 3 M. Cin. H. & D. b'ds.

May 9, 1856, Robt. Bayard, trus., $12,498 18. Bal. due on 400 sh's N. & W. RR. Paid April 21.

June 14, Geo. S. Coe, trustee, $5,214. 200 Ind. & Cin. RR. st'k, 1 M. Mo. b'd. Paid Jan'y 12.

July 31, R. Bayard, trustee, $5,000. No security. Paid 26 March.

Oct. 4, J. Ackerman, b'kkeeper, $2,500. 100 sh's Ind. & Cin. RR. st'k.

234 Jan'y 13, 1857, Geo. S. Coe, trustee, $11,000. 400 Ind. & Cin. RR. st'k. $2,200 p'd Feb'y 16. $1,150 p'd Mc'h 5.

Jan'y 31, S. Fosdick, (per E. Ludlow,) trustee, $7,400. 98 sh's O. T. st'k. Paid April 21.

Feb'y 14, S. Fosdick, trustee, $5,332 66. Acceptance, Martin Owens & Co. Paid March 15.

March 25, R. Bayard, trustee, $4,500. 50 sh's O. T. Co. st'k. Paid July 2. Except those marked paid as above they appear to stand open.

Thereupon the further taking of these depositions was adjourned till Monday, Oct. 14, 1861, between the same hours.

MONDAY, *Oct.* 14, 1861, 10 *o'clock a. m.*

Present: The same parties; and thereupon the further taking of these depositions was continued till to-morrow between the same hours.

TUESDAY, *Oct.* 15, 1861.

Present: The same parties and Worthington & Matthews, att'ys; and thereupon the examination of Mr. Bishop proceeded as follows:

Cross-examination of S. P. Bishop.

Worthington & Matthews, counsel, without waiving any objections to the foregoing testimony in chief, which is hereby excepted to so far as
235 the same consists of the opinions, beliefs, suspicions, and informations of the witness, and not matters of his own knowledge, propound on cross-examination the following question to witness:

1 x question. Will you examine your testimony in chief, and state which answers are made on your own personal knowledge, which upon information, and from what sources such information is had, which are upon your belief, which are opinions, and which are mere suspicions?

236 EXHIBIT A.

The charter and by-laws of the Ohio Life Insurance and Trust Company.

237 An act to incorporate the Ohio Life Insurance and Trust Company.

SEC. 1. *Be it enacted by the general assembly of the State of Ohio,* That, from the time this act shall take effect, Joseph S. Lake, Jacob Burnet, Micajah T. Williams, Samuel Wiggins, Robert Buchanan, John H. Groesbeck, William S. Hatch, Samuel R. Miller, William Thoms, Jeptha D. Garrard, William Oliver, Vachel Worthington, S. Fosdick, E. S. Haines, Allen Trimble, John Creed, Alfred Kelley, Benjamin Tappan, Samuel F. M'Cracken, Joseph Vance, James Galloway, jr., Samuel Forrer, Daniel Kilgore, Calvin Pease, Gustavus Swan, Adam Stewart, Robert Fulton, James Findlay, L. Goodale, J. Patterson, Cornelius Vanausdal, Alexander Campbell, David Johnson, Simon Perkins, Heman Ely, and their associates and successors, be, and they are hereby, constituted and made a body politic and corporate, under the name of the Ohio Life Insurance and Trust Company; to be located at the city of Cincinnati, and by that name shall have power to contract and be contracted with, and may sue and be sued, plead and be impleaded, answer and be answered unto, in all courts having competent jurisdiction; and may have and use a common seal, and the same break, alter, and renew at pleasure; and shall be vested with all the powers and privileges necessary to the objects of their incorporation, as hereinafter defined and limited.

238 Sec. 2. That said company shall have power—1. To make insurance on lives. 2. To grant and purchase annuities. 3. To make any other contracts involving the interest or use of money and the duration of life. 4. To receive money in trust, and to accumulate the same at such rate of interest as may be obtained or agreed on, or to allow such interest thereon as may be agreed on. 5. To accept and execute all such trusts of every description as may be committed to them by any person or persons whatsoever, or may be transferred to them by order of any court of record whatever. 6. To receive and hold lands under grants, with general or special covenants, so far as the same may be necessary for the transaction of their business, or where the same may be taken in payment of their debts, or purchased upon sales made under any law of this State, so far as the same may be necessary to protect the rights of the said company, and the same again to sell, convey, and dispose of. 7. To buy and sell drafts and bills of exchange.

Sec. 3. In all cases where any court hath jurisdiction for the appointment of a trustee or guardian of any infant, lunatic, or other person, the annual income of whose estate shall exceed the sum of one hundred dollars, such court shall have power to appoint the said company trustee or guardian of the estate of such infant, lunatic, or other person. Provided, nothing in this section shall be so construed as to give the said corporation control of the person of any infant, lunatic, insane, or other person; and provided, further, in all cases where the courts shall appoint said corporation administrators of any estate, the consent of the widow or next of kin to such deceased person shall first be obtained.

Sec. 4. On any sum not less than one hundred dollars which shall
239 be collected or received by the said company in its capacity of trustee, guardian, and receiver, an interest shall be allowed by said company of not less than at the rate of four per cent. annually, which interest shall continue until the moneys so received shall be duly expended or distributed.

Sec. 5. Where the annual income of an infant, lunatic, or other person, of whose estate the said company shall be trustee or guardian, shall exceed the sum allowed, or which may be sufficient for the education and support of such infant, or support of such lunatic, or other person, such surplus income shall be accumulated by the said company, for the benefit of such infant, lunatic, or other person, by adding interest on the whole, annually, as a new principal; and the interest so to be allowed and added on such accumulation shall in no case be less than four per cent.

Sec. 6. No bond or other collateral security shall be required from the said company when appointed trustee, guardian, or receiver; but all investments of money received by the said company, in either of said characters, shall be at the sole risk of the said corporation; and for all losses of such moneys the capital stock, property, and effects of the said corporation shall be absolutely liable.

Sec. 7. The capital stock of the said corporation shall be two million of dollars, which shall be divided into shares of one hundred dollars each. The whole of said capital stock shall be invested in bonds or notes drawing interest not exceeding seven per. cent. per annum, secured by unincumbered real estate within the State of Ohio, of at least double the value in each case of the sum so secured, and not more than one-fourth of which capital shall be loaned on real estate in any one county.

Sec. 8. All the corporate powers of said company shall be exercised by a board of trustees, and such officers and agents as they shall appoint.
240 The board of trustees shall consist of twenty persons, all of whom shall be stockholders and citizens of the United States, and not less than three-fourths of their number shall be citizens of this State. They shall establish and keep up an agency in each judicial circuit of this State,

which agencies shall not be considered as vested with banking powers. They shall annually elect a president from their own body, and shall have power to declare by a law what number of trustees less than a majority of the whole shall be a quorum for transacting business.

SEC. 9. That said board of trustees shall be divided into classes, consisting of four each, and so arranged that the term of service of one of said classes shall expire at the end of two years, one at the end of four years, one at the end of six years, one at the end of eight years, and one at the end of ten years, and so on, to be divided by lot, so that four trustees shall be appointed every two years; but the supreme court of this State shall have power to remove a trustee, on such notice, to be heard as they shall deem reasonable, on the application of a person interested, for a misdemeanor in office.

SEC. 10. Every vacancy happening in the board of trustees, by death, resignation, or otherwise, other than by the expiration of classes, shall be supplied by the choice of the remaining trustees; and in all cases the votes of two-thirds of all the trustees for the time being shall be requisite to a choice. No person shall be eligible who shall not have been openly nominated at a meeting of the trustees at least one month before the day on which the election is held; and the name of every person so nominated shall be published for three successive weeks previous to the day of election, in one or more newspapers published in Cincinnati and Columbus. Provided, that when vacancies shall happen by expiration of classes the same
241 shall be supplied by elections to be held by the stockholders of said corporation; and elections held for the purpose of supplying such vacancies shall be held as near as may be in pursuance and accordance to the provisions of the twelfth section of this act, except that notice of the time and place of holding such elections shall be given by the trustees of said corporation instead of being given by the committee, as is in said section provided.

SEC. 11. The said corporation, or any twenty of them, within six months after this act shall be in force, shall meet at Cincinnati, and appoint a committee of five of their own number, whose duty it shall be, at the time and place fixed by said committee for that purpose, to open books for receiving subscriptions to the capital stock; the books shall be opened at the hour of ten in the morning, and shall be kept open from time to time by adjournment, until the whole stock shall be subscribed, not exceeding thirty days. Public notice shall be given for at least twenty days, in one or more newspapers published in Cincinnati and Columbus, of the time and place of opening the books for receiving subscriptions to the capital stock of said corporation. Provided, that if the said stock shall not be subscribed within thirty days, the said committee shall have the power to reopen the books at any time thereafter within two years, under such regulations as are herein above specified.

SEC. 12. So soon as said stock shall be taken, the said committee shall notify the subscribers to said stock, by publication in one or more newspapers published in Cincinnati and Columbus, for thirty days, to meet at such time and place as in such notice they may direct, to elect twenty persons from among the said subscribers, to constitute the first board of trustees under this charter; and when the said subscribers, or so many thereof as may have assembled at the time and place fixed for opening the polls
242 of the said election, they shall appoint four disinterested and respectable freeholders of the State of Ohio judges of the said election, who shall proceed to discharge the duties hereby required of them; that is to say, they shall receive the votes of the said subscribers, either by person or proxy, duly authenticated in writing, allowing to each subscriber one vote

for each share by him held; and they shall carefully note each vote in duplicate books prepared for that purpose, and after having taken all the votes that may be offered within the time fixed by said notice, the said judges shall count the said votes, and certify the number of votes given to each person; and thereupon they shall forthwith hand over the said poll books to the said committee, the one for the said company and the other to be transmitted by them to the auditor of state; and the twenty persons having the highest number of votes shall be the said trustees, and thereupon their powers and authority as said trustees shall commence.

SEC. 13. So soon as the said trustees are elected, they shall organize, and notify the governor of this State that they are ready to commence business; and thereupon the said governor shall appoint some suitable person to examine and count the moneys paid in upon the first instalment of the said capital stock, and there actually existing in the vaults of the said company, whose duty it shall be, at the expense of the said company, to make such examination, and ascertain, by the oath of the president and at least twelve of the other trustees, that the said capital has been bona fide paid in by the said stockholders of the said company in payment of the first instalment under the regulations of this charter, and for no other purpose whatever, and that it is intended to be and received as a part of said capital stock, and forthwith make due return thereof to the governor, who,
243 on the return being made to him as aforesaid there, that the sum of five hundred thousand dollars of the capital stock of said company has been paid in, and actually exists in their vaults, shall cause proclamation to be made of the same, under the great seal of the State, which shall be published at the expense of the said company, in one or more newspapers published at Cincinnati and Columbus; and on the first publication of such proclamation it shall be lawful for said company to commence business, and not before.

SEC. 14. Each subscriber shall, at the time of subscription, pay to the committee receiving the same the sum of twenty-five dollars on each share by him subscribed; and after the shares shall have been subscribed, each stockholder shall pay an instalment of twenty-five dollars on each share so held by him, within six months thereafter, at such time and place as the trustees shall appoint, of which at least three weeks' public notice shall be given, and the whole amount remaining due on the shares so held by him within eighteen months after the said stock shall have been subscribed, at such time and place as the trustees shall appoint, of which the same notice shall be given as last aforesaid.

SEC. 15. That any person or persons who shall own any share or shares in said company, and who neglect or refuse to pay the instalments or any part thereof at the time and place required by the trustees of the said company in pursuance of this act, the trustees for the time being shall have power to sell and transfer the same without delay, either by public auction or otherwise, and any surplus remaining after incidental charges are paid shall be returned to the person or persons who held the said shares previous to the sale thereof.

SEC. 16. Every trustee of this corporation shall be a stockholder to
244 the amount of five thousand dollars at least, and the seat of every trustee ceasing to be a stockholder to that amount, shall immediately be considered and held vacant. Provided that no judge of the supreme court or court of common pleas shall be a stockholder, or be directly or indirectly interested in said company.

SEC. 17. No loans shall be made directly or indirectly to any trustee of a greater sum than twenty thousand dollars in the whole, and the same security shall be given therefore as is required from other persons; and in addi-

tion, any trustee may secure his own part of the capital stock not exceeding five thousand dollars, by bond or note, and a conveyance of real estate in trust to the said company, in the manner prescribed in the seventh section of this act.

SEC. 18. The certificate of stock and of moneys received in trust, issued by the said corporation, shall be assignable on the books of the corporation, to be kept at such place and under such regulations as the board of trustees shall establish; but no alteration shall be made in the regulations so established, unless by the order of the supreme court, made on a petition of a majority of the trustees.

SEC. 19. The trustees shall have discretionary power of investing the premium and profits received by the company, and the moneys received by them in trust, in government, or other public stocks of the United States or of any State, or in the stock of any incorporated city, or in such real or personal securities as they may deem proper, or loan the same to any county, city, incorporated town, or company; but the said company shall not hold stock in any one private incorporated company beyond twenty-five thousand dollars.

SEC. 20. The board of trustees shall exhibit annually to the supreme court, on such day as they shall appoint, a full statement of their
245 affairs, in such form and verified in such manner as said court shall direct. The said court, should they deem it proper, may refer such statement to a master commissioner of said court, with directions to make a full and thorough investigation into the affairs and management of the company, and to report his opinion in relation to the ability and integrity with which its affairs are conducted, the prudence and safety of its investments, the security afforded to those by whom its engagements are held, and the advantage derived by the public from its operations. The expense of every investigation so made shall be defrayed by the company, to be taxed by the court.

SEC. 21. Upon the exhibition of any such annual statement, or upon the coming in of the report of the master commissioner thereon, the said court may recommend to the trustees such alterations and amendments in the regulations and by-laws of the company as they shall deem to be required by the public good, and a just regard to the security of creditors. If any regulation or by-law so proposed to be altered or amended, or any act or proceeding of the company shall be deemed by them to be a violation of any of the conditions of this charter, and shall not in a reasonable time be corrected by the trustees on said recommendation, the supreme court shall issue a writ of scire facias against the said corporation, to show cause why its charter should not be adjudged forfeited. Judgment against said corporation shall in no case have the effect to vacate its charter on the rendition thereof; but the said supreme court, as a court of chancery, shall thereupon order and decree that the said company, under the direction of said court, shall proceed to dispose of its effects, pay its debts, and distribute the surplus in due proportion among its stockholders; and upon the final settlement of its concerns, the said court may grant a perpetual injunc-
246 tion against the transactions of any future business by said company.

SEC. 22. A copy of every statement made as aforesaid, and of every report of master commissioner thereof, shall be transmitted to the auditor of state by the president of the company within thirty days after it shall have been made or received, and may be published at the expense of the company under the direction of the court. And the general assembly shall have power at all times to appoint a committee from its own body, whose duty it shall be to examine the condition and state of said body politic and corporate, to inspect the books and minutes of proceedings of the board of

trustees, to ascertain the amount of gold and silver and bills on hand, the amount of deposites therein, of notes and bills in circulation, an exact list of balances due to and from said body politic and corporate, and all other affairs of the same, and make a report thereon at such time as they may be instructed and directed.

SEC. 23. The company shall have power until the year 1843 to issue bills or notes to an amount not exceeding twice the amount of the funds deposited with said company for a time not less than one year, other than capital, but shall not at any time have in circulation an amount greater than one half the capital actually paid in and invested in bonds or notes secured by an unincumbered real estate, agreeably to the seventh section of this act, nor a greater amount than twice the amount of deposites for the time being, and may lend the same on notes or obligations, or such other securities as the said trustees may require, at a rate of interest not exceeding six per cent. per annum. If said company shall suspend payment of its notes or bills in silver or gold coin, lawful money of the United States, for more than
247 thirty days, or shall demand and receive a greater rate of interest in any case than seven per cent. per annum, its charter shall be thereby forfeited. The supreme court shall have exclusive cognizance of all cases in which judgment of forfeiture of the charter can be rendered. All bills and notes issued by the company, which shall not be paid on due demand and presentment, shall thereafter bear an interest at the rate of twelve per cent. per annum: Provided, the legislature may at any time hereafter enact laws enforcing and regulating the recovery of notes, bills, or debts, of which payment shall have been refused, as in this section mentioned, with the rate of interest there mentioned; also to amend, alter, or repeal this act, after such refusal having been made and duly established in the proper court having jurisdiction thereof.

SEC. 24. For all losses of money which the capital stock shall not be sufficient to satisfy, the trustees shall be responsible, in the same manner and to the same extent that trustees are now by law responsible in law or equity.

SEC. 25. No higher taxes shall be levied on the capital stock or dividends of the company than are or may be levied on the capital stock or dividends of incorporated banking institutions in this State.

SEC. 26. This act shall not be construed to confer on the said company any rights or power to make any contract, or to accept or exercise any trust whatever, which it would not be lawful for any individual, when not restrained by statute, under the general rules of law which are or shall be in force, to make, accept, or execute.

SEC. 27. The said trustees shall, on the first Monday of January and July, annually, make and declare such dividends resulting from the profits of the said company, as shall not impair nor in anywise lessen the capital stock, and cause the same to be paid on demand to the said stockholders
248 thereof.

SEC. 28. This act shall be taken and received in all courts, and by all judges, magistrates, and all other public officers, as a public act; and all printed copies of the same, which shall be printed by or under the authority of the general assembly, shall be admitted as good evidence thereof, without any other proof whatever.

Provided, any future legislature, after the year 1870, shall have power to repeal, amend, or alter this act.

JOHN H. KEITH,
Speaker of the House of Representatives.
DAVID T. DISNEY,
Speaker of the Senate.

February 12, 1834.

SECRETARY OF STATE'S OFFICE,
Columbus, Ohio, February 12, 1834.

I certify that the foregoing act is a correct copy of the original roll remaining on file in this office.

B. HINKSON, *Secretary of State.*

249 *The first board of trustees.*—Jacob Burnet, of the city of Cincinnati, Ohio; Micajah T. Williams, do.; Samuel Wiggins, do.; Josiah Lawrence, do., (resigned;) George Luckey, do.; Vachel Worthington, do.; William Greene, do.; Edward King, do.; Jeptha D. Garrard, do.; Simon Perkins, Warren, Trumbull Co.; Elisha Whittlesey, Canfield, do.; Alfred Kelley, Columbus, Franklin Co.; Noah Swayne, do.; Daniel Kilgore, Cadiz, Harrison Co.; Samuel Forrer, Dayton, Montgomery Co.; Isaac Carrow, of the city of New York; Goold Hoyt, do.; James G. King, do.; Walter Bowne, do.; Arthur Bronson, do.

Officers.—Micajah T. Williams, president; Samuel R. Miller, secretary; J. N. Perkins, cashier; Vachel Worthington, solicitor.

250 *By-laws of the Ohio Life Insurance and Trust Company.*

1. There shall be a biennial meeting of the stockholders on the 30th day of September, in the year 1836, and every second year thereafter, for the election of trustees to fill the vacancies occasioned by the expiration of the term of service of the trustees, agreeably to their classification under the charter. And in any year when the thirtieth of September shall fall on Sunday, such meeting shall be held on the next preceding day.

2. The officers of the company shall consist of a president, a secretary, a cashier, a solicitor, and such other subordinate agents, clerks, and assistants as the board of trustees shall from time to time appoint; each of whom, except the president, shall be removable by a resolution of the board.

3. The president, secretary, and cashier shall each give bond for the faithful performance of his duties, with sureties to be approved by the board; the president, in the penalty of twenty thousand dollars, and the secretary and cashier, each, in the penalty of ten thousand dollars; which bonds shall be annually renewed, and new or additional securities may at any time be required by the board. Every such bond shall be so drawn as to
251 remain in full force until another be substituted, and shall be deposited for safe keeping with a member (other than the president) of the committee of finance.

4. There shall be a meeting of the trustees on the first day of Octoberf annually; at which a majority of the trustees shall meet for the purpose o, electing a president, and such other officers of the company, and committees, as may be elective at such meetings. But when the first day of October, in any year, shall fall on Sunday, such meeting, for that year, shall be on the next succeeding day.

5. The president shall have the general superintendence of the affairs of the company. He shall preside at all meetings of the trustees. He shall be a member, ex officio, of all standing committees. He shall attend the meetings of any special committee when required by the chairman; and in all cases where the duties of subordinate officers and agents of the company are not specially prescribed by the by-laws, rules, or resolutions of the board, they shall obey the instructions of the president. In case of sickness or temporary absence, he may appoint, in writing, a president pro tem. to perform the duties of his office.

6. It shall be the duty of the secretary to keep a record of the proceedings of the board of trustees, excepting those relating exclusively to the banking

department; to countersign and keep a record of all policies of insurance issued, all contracts for the grant or purchase of annuities, and all other contracts made with the insurance and trust department, all certificates granted for moneys received in that department on trust or on deposite, all conveyances or releases of lands owned by or mortgaged to the company, when the same shall have been sold or the mortgage discharged; to superintend the keeping of all the books and accounts relating to the con-
252 cerns of the company, other than the banking department; carefully to observe the conduct of all persons employed under him, and to report to the board such instances of neglect, incapacity or bad conduct as he may discover in any of them, to give such information to the board as may be required, and also to give the committees of finance, investments, and trusts such information as they may require touching their duties respectively.

7. It shall be the duty of the cashier to countersign all bills or notes designed for circulation agreeably to the orders of the board; carefully to observe the conduct of all persons employed under him, and report to the board all such instances of neglect, incapacity, or bad conduct, as he may discover in any of them; daily to examine the settlement of the cash account of the banking department, take charge of the cash, and whenever the actual amount materially disagrees with the cash account, to report the same without delay to the president and trustees; to lay before them on every account day a general statement of the accounts of his department; attend all meetings of the board held on business relating to the banking department, give such information as may be required, and keep a record of the proceedings of such meetings, and perform such other services as may be required of him by the board.

8. There shall be a stated meeting of the trustees on the first Tuesday in every month, to which a report shall be made by the president of the concerns and business of the company during the past month, stating particularly the contracts that have been made, the sums of money received, on what account and on terms, the manner in which the same or any moneys previously on hand have been invested, and the amount then remaining on hand.

9. Six trustees shall be a sufficient number to form a quorum for
253 the transaction of ordinary business; but no by-law shall be adopted, nor any by-law, standing rule, or regulation, previously adopted at a meeting at which a majority of the whole number of trustees were present, shall be altered or changed except at a meeting at which a majority of the trustees shall be present, and upon a report of a committee appointed for that purpose, a copy of which report shall be transmitted to each of the trustees at least thirty days previous to the meeting at which it shall be proposed for adoption; nor shall any such by-law be adopted, or by-law, standing rule, or regulation altered or changed, unless three fifths of the whole number of the trustees shall assent thereto, either in person or by letter directed to the secretary and laid before the board at such meeting, nor unless a majority of the trustees present shall assent thereto.

10. The president may call a special meeting of the trustees whenever he shall deem it proper; and it shall be his duty to call such meeting whenever any three of the trustees shall require him in writing so to do.

11. The affairs and business of the company shall be managed and conducted in two separate departments: the first to be denominated the insurance and trust department; the second the banking department.

All business relating to insurance on lives; granting and purchasing annuities, or making any other contract involving the interest or use of money and duration of life; receiving moneys in trust to accumulate at any stipulated rate of interest; accepting and executing trusts of every description;

investing the capital stock and any other funds, received in trust or on deposite, in real estate securities, or loaning any such funds other than capital, on a pledge of stocks, certificates of deposites or public securities;
254 holding and managing any lands granted to the company with general or special covenants, or taken in payment of debts and selling the same, shall be managed by the insurance and trust department.

All the banking powers conferred on the company by the twenty-third section of the charter, together with the power to buy and sell drafts and bills of exchange conferred by the second section, shall be managed by the banking department.

12. The business of the insurance and trust department shall be superintended and directed by three standing committees, each to consist of at least three trustees, including the president, to be elected semi-annually at a meeting of the board, at which at least a majority of the whole number of trustees shall be present, and to hold their appointment until their successors shall, in like manner, be elected, to wit, a committee of finance a, committee of investments, and a committee of trusts.

13. The committee of finance shall superintend and direct all investments that shall be made of the funds of the company, other than the funds of the banking department, in stocks, certificates of deposites, or public securities, in pursuance of the eleventh by-law, and shall receive and audit all accounts against the company.

14. The committee of investments shall superintend and direct all investments that shall be made of the capital and other funds of the company in real estate securities.

15. The committee of trusts shall have the general superintendence of all special trusts, and no guardianship, receivership, or other special trust shall be accepted by the president, in behalf of the company, without their approbation and concurrence, excepting such special trusts as shall be conferred on the company by a court having competent jurisdiction; nor without their approbation, shall any moneys be received in trust on which
255 a greater interest than four per cent. shall be allowed.

16. The board shall determine what funds of the company, other than its capital, shall be invested in real estate securities, and what in personal securities.

17. The moneys of the company shall be deposited in the banking department; and for all moneys belonging to the insurance and trust department, deposited for banking purposes, and in such other cases as the board may direct, the banking department shall be charged with the same or similar rates of interest as are allowed by the insurance and trust department on the same or similar deposites.

18. Fair, full, and regular accounts of debt and credit shall be kept by each of the departments of the company, with the other department thereof.

19. The secretary and cashier shall each make out a statement of the business and condition of his department, and a statement of the profits and losses which have accrued during the six months next preceding the making such statement, and furnish the same to the committee of finance at least ten days before the day of declaring a dividend of the profits of the company semi-annually; and the committee of finance shall, after ascertaining the correctness of such statements, make a full report thereon to the board, in which they shall set forth distinctly the profits (and losses, if any) of each department and branch thereof, with the suspended debt, together with their opinion of the amount which it is expedient to divide.

20. Every report of a standing or special committee shall be in writing and signed by the members of the committee assenting thereto.

21. Regular minutes of the proceedings and resolution of each committee shall be kept in books to be provided for that purpose; and each com-
256 mittee shall make monthly reports of its proceedings to the board.

22. The seal of the company shall be under the exclusive charge of the president, and shall not be affixed by him to any conveyance, assignment, or transfer of any of its real estate, or of any of its effects exceeding in value one thousand dollars, unless authorized by a previous resolution of the board; nor to any other instrument whatever, without the consent of a majority of one of the standing committees, excepting to contracts for the insuring of lives, and granting annuities, certificates acknowledging satisfaction on mortgages, or deeds of trust, certificates of stock, deposites, or other evidences of debt issued by the officers of the company in the transaction of its ordinary business.

23. The company shall not purchase real estate on which debts are secured at a greater price than is necessary to secure the collection of the debt and to save the company harmless.

24. If the company become the holder of real estate by purchase made for the collection or security of its debts, the same shall be sold as soon as the amount necessary to save the company harmless can be realized from such sale.

25. Except for the purpose of securing suitable offices and conveniences for the transaction of business, and for the purpose or collecting debts, or preventing loss of money secured on real estate, the company shall not, directly or indirectly, hold any such estate.

257 *Standing rules for the government of the insurance and trust department.*

First. In relation to investments in real estate securities :

1. Loans shall be made only on the fee simple estate of lands, tenements, and hereditaments.

2. Loans on real estate shall in no case exceed one half the estimated value thereof; nor shall a loan in any case exceed the value of the land, independent of the buildings thereon.

3. The provisions of the charter limiting the proportion of the capital to be secured on real estate, in any one county, shall be extended to all loans made by the insurance and trust department on real estate.

4. In determining the value of real estate, the buildings or improvements subject to destruction by fire, or otherwise, shall not be estimated at a greater value than the amount insured thereon.

5. Such buildings or other improvements shall be kept constantly insured, at the expense of the mortgager, or borrower, by the agent of the company.

6. Whenever insurance on such buildings or other improvement shall expire, or be about to expire, and a policy of insurance cannot be again effected on such buildings, or other improvements to the amount of
258 their estimated value at the time of making the loan, in consequence of decay, or otherwise, the borrower shall be required to furnish additional real estate security to the value of such deficiency, and in default of his doing so, on demand of the agent, the sum loaned shall be immediately collected.

7. When security shall be offered by the fee simple owner for a loan on real estate, leased for a term exceeding one year, the value of such real estate shall not be estimated at a greater sum than that of which the rent, payable annually, is the legal interest.

8. When security for a loan shall be offered on real estate, contracted to

be sold by the person offering the same as security, such real estate shall not be taken as security for a greater sum than the amount remaining unpaid on the contract at the time of executing the mortgage; and the contract and other securities, if any, for the purchase-money, shall, moreover, be assigned to the company, with authority to collect and receive the payments.

9. No loan of capital secured on real estate shall be made for a less sum than one hundred nor more than twenty thousand dollars.

10. All loans secured on real estate shall provide for the payment of seven per centum per annum interest thereon, payable semi-annually, computing from the date of the note or bond given therefor until the principal shall be fully paid. But in case the loan is not made at the date of such note or bond, the secretary shall endorse thereon the actual date of the loan, at which time the money shall be paid, or placed to the credit of the borrower on the books of the company, and interest shall commence from that date.

11. Loans may be made on the assignment of bonds or notes secured by mortgages to an amount not exceeding four fifths of the amount so secured by said mortgages, and not exceeding half the value of the real es-
259 tate mortgaged; provided the borrower shall execute his bond or note for the amount borrowed, in pursuance of the tenth and twelfth rules.

12. For all loans made on real estate security, notes or bonds shall be taken, payable on demand, with powers of attorney to enter upon judgment thereon at any subsequent time.

13. If at any time there shall be a failure to pay the interest accruing on any bond or note at the time the same shall be due, or on a failure to comply with any requirements of the company for the preservation of the security, judgment shall be immediately entered for the principal and interest due thereon, or the mortgage or deed of trust shall be immediately foreclosed or sale had, as the case may require.

14. The borrower may at any time pay, on his principal debt, any sum not less than one hundred dollars.

15. It shall be the duty of the agents in the several judicial circuits, on the application and at the expense of the person applying for a loan to be secured on real estate, to investigate the title of the real estate offered as security for such loan; to ascertain as nearly as practicable the value in cash; to furnish to the applicant, for the purpose of being transmitted to the secretary of the company, a full and complete schedule and abstract of the material parts of the title papers, or records thereof; and also of all adverse claims, legal and equitable, to such estate, so as to enable the solicitor to judge correctly of the validity of the title, together with his own opinion of its validity, and also a pertinent description of the property, his opinion of its value, and the data upon which such opinion is formed; and also to see that buildings, or other improvements liable to destruction, on lands
260 mortgaged to the company, be kept constantly insured, whenever the improvements enter into the computation of the valve.

16. The agents appointed in the several judicial circuits shall, in relation to effecting loans on real estate security, be considered the agents of the company only so far as regards the investigation of titles and ascertaining the value of the real estate offered as security for loans, and for the purpose of effecting insurance on buildings or other improvements on property mortgaged to the company.

17. On application for a loan to be secured by real estate there shall be a statement by the agent of all charges made or to be made by him against the borrower, and of all other expenses which the borrower is put to in ob-

taining the loan; which statement shall accompany the papers on which application is made.

18. It shall be the duty of the solicitor carefully to examine all title-papers, or abstracts therefrom, relating to the title of real property offered as security for loans, and to furnish the president his opinion in writing thereon.

Second. In relation to trusts and deposits:

1. No sum of money less than one hundred dollars shall be received in deposite.

2. All moneys deposited in trust for a shorter time than one year shall be deposited for a certain number of months; not less, in any case, than two months from the date of the deposite.

3. Interest at the rate of three per cent. per annum will be allowed on sums deposited for a term not longer than four months; for a term exceeding four months, and less than a year, four per cent.; for a year, four and
261 a half per cent.; and when the time of deposite shall exceed a year, the rate of interest shall be settled by special agreement.

4. In all cases where moneys deposited shall not be withdrawn at the expiration of the time of deposite, they shall remain with the company for another period of not less than thirty days, and the same rate of interest shall be allowed thereon as if originally deposited for the extended period.

5. When the term of deposite shall exceed a year, interest may be made payable before the principal shall become due, annually or quarterly, as may be agreed on; but when the deposite shall be for a shorter term than a year, no interest will be paid until the principal becomes due.

6. Where moneys, deposited in trust for a period less than one year, shall have remained in deposite sixty days, the same may be withdrawn at any time thereafter, and before the expiration of the original term of deposite; but in such cases no interest shall be paid on such deposite, nor shall any deposite exceeding in amount one thousand dollars, whether made for a time less than or exceeding one year, be withdrawn, without three days' notice.

7. Certificates of moneys received in trust, specifying the duration and terms of the trust, shall be issued when required; but in such cases the moneys so received shall only be payable when due, on the production and surrender of the certificates issued therefor.

8. The foregoing rules shall not extend to moneys deposited by order of any court, agreeably to the provisions of the charter.

262 Third. In relation to transfers:

1. Books, for the entry and transfer of stock and of certificates of moneys received by the company in trust shall be kept at the office of the company, in Cincinnati, at such place in the city of New York as the board of trustees shall from time to time appoint, and at such other place or places as the board shall hereafter designate.

2. Owners of stock and moneys deposited in trust may have the same entered on the books of entry and transfer, at any of the offices at which books of entry and transfer are kept, and receive a certificate or certificates, in such portions or sums as they may elect; and transfers thereof, from one owner to another, shall only be made on the books at the office from which such certificates were issued.

3. Transfers of stock and certificates for moneys received in trust may be made from one transfer office to another, upon the surrendry of the certificates at the office from whence they were issued, taking therefrom transfer certificates and depositing the same in the office to which the transfer is to be made.

4. No transfer of stock, or certificate of deposite shall be made so as to change the legal ownership thereof, except upon the transfer book at the office where it shall be entered; and no such transfer shall be made, unless on the surrendry of the certificate or certificates, except in cases of loss, as provided in the sixth rule.

5. No new certificate or certificates of stock, or moneys received in trust, shall be issued, except upon the surrendry of the certificate or certificates previously issued therefor, or proof of their loss, as provided in the sixth rule.

263 6. If any person shall claim a certificate of the stock of the company, or a certificate of deposite, to be issued in lieu of one lost or destroyed, he shall make an affidavit of the fact and circumstances of the loss or destruction, and shall advertise in one or more of the public newspapers in the city where the certificate so lost was issued, for the space of six weeks, an account of the loss or destruction, describing the certificate, calling on all persons to show cause why a new certificate should not issue in lieu of that lost; and he shall transmit to the company his said affidavit and the advertisement, and give to the company a satisfactory bond of indemnity, with one or more sureties, if required, in double the amount of the certificate so lost, against any damage that may arise from issuing a new certificate; whereupon, six months after the notice by advertisement, as aforesaid, the president shall issue a new certificate of the same number and tenor with that said to be lost or destroyed, and specifying that it is in lieu thereof.

7. Transfer books of stock shall be closed in Cincinnati ten days, and in New York twenty days, previously to the days of declaring dividends, semi-annually, and of holding the election for trustees, biennially, and remain closed until after the days of declaring dividends or of holding elections as aforesaid.

8. Within two days after the closing of the transfer books of stock in the city of New York, and at any other place, except in Cincinnati, where transfer books may hereafter be opened, the agent keeping such books shall make therefrom an abstract of all transfers made since making the last previous return, and transmit the same to the office of the company in Cincinnati.

264 *Standing rules for the government of the banking department.*

1. No discount shall be made unless three fourths of all the trustees present shall agree to the same, nor unless the president and at least three of the other trustees shall be present and assent thereto.

2. No note, bill, or other obligation, (except bills of exchange payable abroad,) which has more than one hundred days to run, shall be discounted; and on all paper discounted payment shall be exacted at maturity; and no discount shall be made with any understanding, express or implied, of any connection between the payment of one note, or bill, and the discount of another.

3. In no case shall a note, bill, or obligation be discounted when either the maker, drawer, accepter, or indorser thereof shall be under protest at the bank.

4. Whenever a note, or bill, shall be protested for non-payment, or a claim of any description shall be considered doubtful, it shall be charged to an account to be called suspended debt.

5. There shall be a standing committee to whom shall be committed the care of the notes, bills, and other claims, charged to suspended debt, whose duty it shall be to take all proper means for the security and collection of

the said notes, bills, and other claims, and to report to the trustees from time to time.

265 Ex. B.

OHIO LIFE INS. AND TRUST CO.,
Cincinnati, June 29, 1857.

E. Ludlow, esq., cash., New York:

D'R SIR: My last respects to you was under date of the 22d inst. Yours of the 11th and 22d inst. came duly to hand. As to the John Thompson matter, I will reply in a day or two; meanwhile take from him any Kenawha notes he may have, as before advised.

The telegraphs you and Mr. Coe have sent us, under date of the 26th and 27th, are quite astounding, and at such short notice it is wholly impossible to do what you require. We have been into Kentucky to procure ex. to send you, but have been wholly unsuccessful in our endeavors. We shall use every effort possible to reduce our account to the figure you have named, and shall make no bills upon you that we are not absolutely compelled to. This appears to be one of those occasions when you should resort to the credits on London, on which matter you have authority to act as may be deemed best. With Messrs. J. Lee & Co. I presume you would find no difficulty in arranging for £50,000 or more, if needed. The rate of exchange is
266 now high, and at the maturity of 60 or 90 days' bills I do not think they will rule any higher, if as high, as at present time.

You have the 200th Hamilton and Dayton 7 per cent. bonds. On these you ought to be able to borrow 150th. Then you have some short paper, which I should think might be discounted by some of those banks with whom you have dealings.

Y'rs truly,

C. STETSON, *Prest.*

Ex. C.

OHIO LIFE INS. AND TRUST CO.,
Cincinnati, 19 *Dec.*, 1856.

Messrs. James Lee & Co., Bankers, New York:

GENTS.: I am authorized by the board of trustees of this company to assure you that any and all liabilities incurred by Edwin Ludlow, esq., as cash'r of this company, in New York, are and will be recognized and assumed by this institution to the full extent of any such liability.

Respectf'y yours,

C. STETSON, *Pres.*

267 Ex. D.

OHIO LIFE INS. AND T. CO.,
Cincinnati, June 5, 1857.

E. Ludlow, esq., cash'r, New York:

D'R SIR: I was not aware, till I had reference to my letter-book, that so long time had elapsed since I had this pleasure. I shall not suffer myself to be so negligent in future in this respect.

Your valued favors of the 6th, 12th, 16th, 20th ulto. all came duly to hand.

We have disposed of the Covington and Lexington RR. bonds here equal to 70, giving the buyer 6 mos. credit, the paper payable in your city; this well, as the cost only 64 last fall. We hear nothing from you respecting

the Rochester claim. Will you hunt it out and report? You will remember that I added a few lines to a request of our bookkeeper respecting certain differences in our accounts. No return as yet from your office, but Mr. Lyle is daily looking for the corrections. You have in your keeping the remains of some thirty bonds of the city of Cincinnati. Can you not wind them up at a fair figure? Please advise. Your report of loans up to the middle May came duly to hand, but since then we have received none. They may be asked for some day, when I shall not be able to respond. I send
268 you our statement to 1st June; from the earnings in bank dep't must be deducted the interest, balance due you, and some others not yet ascertained—say 15 or $20,000. We all are of opinion that a 4½ dividend is large enough to declare in July. Still they may yield the point and give 5 per cent.

I am truly yours,

C. STETSON, *Pres't.*

269 Ex. "E."

Balance sheet, August 16, 1857, *Ohio Life Ins. and T. Co., N. Y. Office.*

Dr.		Cr.	
Office at Cincinnati	734,551 12	Cash	260,879 00
Loans	982,145 77	Office check ac.	84,740 65
Interest ac.	22,479 36	Athens branch bank	4,843 80
Exchange ac..	3,218 62	America Ex. Bank	96,001 52
Expense ac.	4,002 60	Akron branch R.R.	453,74
Profit and loss	11,874 95	S. J. Adler	1,048 70
Jas S. Armstrong	110 84	J. J. Anderson & Co	17,718 10
J. W. Andrews, ex	1,300 00	Auditor State of Ohio in trust for Union Bank, Sandusky	10,000
Wm. A. Adams	151 25		
Bell & Grant	119,304 59	Treas State of Ohio	64,808 79
Bank of Attica	4,568 39	Andrews & Wilson	5,000 00
Bank of Circleville	921 72	Adams, Carlins & Co	7,930 59
S. T. Bull, agent	1,251 00	Athens County	453 15
Samuel J. Bealls.	2,286 18	Bank of Geauga	18,998 05
S. Brady	1,951 76	Bank of Marietta	4,437 15
J. C. Butler & Co..	1,626 90	Bank of Portsmouth	19,215 15
George Brown	3,529 84	Belmont branch	23,208 83
Barnett, Howe & Co.	1,587 46	Board of control	37,790 52
J. H. Baker	1,100 00	Bank of Maysville	2,061 79
Clark Co. Bank	4,574 03	Bank of Commerce, N. Y.	20,476 16
Clevel'd & Pittsburgh R.R	101,867 57	Bank of Ashland	28,974 86
County of Mercer	221 45	W. A. Butler & Co.	13,052 35
Clevel'd and Toledo R R.	10,000 00	Butler, Meeker & Co	15,195 81
Com'rs' Sink'g Fund, State of Ohio, redemption ac..	44,098 49	Bank of Commerce, Boston	40,796 23
N. R. Cobb & Co	6,410 60	Brown Bros. & Co.	50,000 00
Bank of Republic..	15,000 00	Wm. K. Bond	423 27
270 Central Bank, Ind.	4,370 51	Bence, Kelly & Co.	1,500 00
City Bank, Columbus	1,777 07	Bundy, Austin & Co.	3,700 00
Carlisle & Stedman	284 99	Bank of Kanawha	26,471 26
Carpenter & Venmilye	2,573 37	Beeber & Co	144,105 82
Coupon ac.	540 75	Jas. Carter & Co	95,907 86
Cleveland and Pittsburgh R.R coupon ac.	116,671 61	Chillicothe branch	7,128,28
George S Coe	2,746 72	Champaign Co Bank	4,614 24
Fulton Cutting	12,894 23	Bomp & Oakes	40,797 20
Do. Sp'r ac.	12,180 83	Cin., Ham & D R.R.	3,584 91
Com'l Bank, Cin'ti	200 00	" Special ac.	50,787 73
Com'l branch, Clevel'd	2,276 65	" Redemption ac.	10,000 00
Dayton and Western R.R	1,452 35	C. Conahan	4,829 95
J. L. Dumont	7 00	City of Portsmouth	633 97

Balance sheet.—Continued.

Dr.		Cr.	
Deferred interest	2,741 77	City of Toledo	794 71
Decoppet & Co	1,625 00	City of Galena	17 44
E. M. Dodge	100 00	City of Wheeling	3,537 07
Wm. E. Dodge	503 24	Con. Sink'g Fund, State of Ohio	18,442 84
Exchange B'k, Columbus	7,743 64	Cin., Penn., and Chicago R.R.	238 00
C. G. Enyart	250 00	Cin. Gas Light and Coke Co.	82 66
J. Ewing	3,420 00	Jas. H. Caldwell	3,466 61
Alfred Edwards	5,200 00	C. N. Culver & Co	1,542 65
Far's and Mer's, Phila	754 98	A. Colvill	15,000 00
Far's and Mer's, Hartford	12,228 57	Geo. S. Coe, trustee of the Greenville and M RR.	210 00
Fisher, Deming & Co	5,383 84	Columbus and Xenia R.R	5,182 50
J. P. G. Foster	2,577 33	City of Steubenville	105 00
Sam'l Fosdick	716 08	John S. Carr	40 00
S. E. Foote	300 00	Delaware Co. branch b'k	22,160 05
D. Gould & Co.	782 96	Dayton branch bank	15,730 85
Chas. Gould & Co.	6,258 61	Dayton Bank	1,955 75
Gross D Dietrich	2,700 00	Dennistown, Wood & Co.	129,759 88
W. W. Gilbert	19,204 01	E. Dexter & Son	70 065 77
Gilbert & Johnson	11,188 11	Dayton and Mich. R.R.	1,782 20
E. T. H. Gibson	140 00	D. Dorrance	1,810 25
A. Gross	209 98	A. H. Dumont	129 86
Greenville & M. R.R.	1,974 06	General dividend	2,798 00
J. Gardner	495 00	Dividend No. 38	6,565 00
Harrison branch	2,059 58	Dugan, Means, Hall & Co	1,647 55
J. R. Hazard	3,421,00	Exchange B'k, Circleville	14,421 39
J. Harrison	455 00	Exchange B'k, Greencastle.	3,752 86
Holcomb & Co	5,515 28	Franklin branch, Columbus	58,752 67
W. A. Hill & Co.	677 51	Farmers' Bank, Salem	46,438 20
Wm. Heigler	1,056 03	Farmers' branch, Ripley	29,553 21
Hocking Valley branch	5,759 35	Farmers' Dep, Pittsburgh	56,258 76
Hempfield railroad	26,506 03	Farmers' Bank, Urbana	1,395 73
Hempfield coupon ac	196 03	Farmers' Bank, Mansfield	10,017 01
Hillsborough and Cin. R.R	24,992 80	Fairfield Co.	136 95
Wm. Hoge & Co	53,667 18	E. Franklin & Sons	37,917 85
Indianapolis branch	14,359 12	B. Ford	75 00
Indianapolis and Cin. R.R	43,033 54	Franklin Township	35 00
Interest on stocks	1,398 00	R. Fletcher	3 50
H. A. Jonston & Co	4,768 15	Guernsey branch	63,350 80
Knox Co. Bank	1,466 29	Guernsey County	192 50
Samuel B. Keys	38,788 48	Grosvenor & Co.	3,189 43
Geo. H. Kelsey	3,886 28	Wm. Greene	1,071 98
Alfred Kelley	523 00	Ganne & Co.	48,331 33
T. M. Kelley	175 00	J. S. Hank	99 50
E. Ludlow	34,821 64	Jas. K. Hitchcock	2 20
Jas. Lee & Co	47,769 80	Harris, Fairbanks & Co.	1,000 00
E. Ludlow & Co	8,650 09	G. A. Hall	1,518 49
Wm. H. Ludlow	1,450 45	Harshman & Winters	2,535 75
Ezra Ludlow, jr.	7,408 11	Hentzler, Harrison & Co.	1,202 17
Walter Lennox	3,266 00	Jas. L. Lyell	106,555 36
H. C. Lord	526 83	Jefferson branch	43,728 51
E. Ludlow, trustee	1,648 85	Iron branch, Ironton	3,721 93
Mer & M'ch's B'k, Wheel'g	8,544 96	Interest on bonds	1,116 77
Mahoning Co. Bank	3,973 23	Jackson County	87 49
Marietta and Cin. R. R.	6,138 09	Richard Irwin & Co	48,666 67
E. S. Munroe & Co	11,251 68	Jas. G. King's Sons	62,130 92
Geo. W. McLean	11,209 77		
Main & Kanz	13,466 50		
Michigan State B'k	1,573 83		
D. Messinger	6,125 00		
M. Morgan & Son	50,966 67		
New York State B'k	39,164 38		
New England Bank	33,137 34		

Balance sheet.—Continued.

Dr.		Cr.	
Norwalk Bank	5,109 62	Logan branch	32,093 59
Newark B'nk'g & Ins. Co.	2.673 82	Little Miami R. R.	7,575 15
Northwestern Bank, Va.	3,182 59	Latimer, Co. & Lupton	2,097 42
Norwich Bank	5,026 00	Wm. J. Lowry	2,108 06
Wm. Neil	8,662 29	Julia F. Ludlow	175 00
Nor. and Wor. R. R.	624 45	D. B. Lawder	1 55
Ohio State stock ac	18,139 51	Lawrence County	80 00
S. W. Ogstom	4,059 72	Mad River Valley branch	63,109 30
Ohio Trust Co. st'k ac.	22,617 10	Miami Co. Bank	4,669 39
D. Ogden	500 06	Muskingum branch	22,859 65
Ohio Co. bonds	1,293 75	Mahoning Co. B'k, spe. ac	6,000 00
Portsmouth Bank	22,863 25	Mount Pleasant B'k	26,964 18
E J. Port	375 00	Merchant B'k, Cleveland	46,723 15
Prince & Co.	81,571 09	Miller, Donaldson & Co.	2,179 61
H. Pampilly	98 94	Martin & Co.	528 70
C. W. Rockwell	8,952 91	J. McCormick	1,275 00
Riggs & Co	6,505 56	Munroe Township	36 75
Sanford & Co., Buffalo.	4,841 56	Miami Valley Bank	930 85
D. D. Spencer & Co	154 50	Man. & Far. B'k, Wheel'g	28,953 44
J. H. Shoemaker	1,301 42	Mill Township	70 90
Stracham & Scott	7,823 69	C. C. Nowell	40 00
G. M. Snow	3,063 00	N. G. Nettleton	22 72
Sandusky M. & Newark R. R	327 22	Ohio Fund Com. sp. ac.	28,409 83
Charles Stetson	3,027 68	Orange Township	36 75
G. Swan	400 35	Oxford Township	557 66
C J. Stedman	2,615 77	Piqua branch	19,376 24
R. C. Stone	8,538 80	Ocean Bank	70,000 00
R. Schell, special ac	1,081 67	Pickaway Co. Bank	77,254 10
F. Tuttle	762 63	Preble Co. Bank	24,239 94
J. M. Thoms	658 11	Parkersburgh branch	3,424 90
Stebbins & Bloodgood	12,141 73	Point Pleasant branch	17,836 75
T. W Tallmadge	972 50	Powell Bank	636 02
J. Tucker	3,960 00	Portland Township	245 70
Trevor & Colgate	3,000 00	Pickaway County	145 48
Toneb, Hess & Co	787 32	Patterson & Hudson R. R	3,582 35
A. M. Taylor & Co	251 84	Patterson & Ramapi R. R	4.805 27
C. F Uhlhome	2,187 50	J. P. P. Peck	2,991 76
J. B Uarnum	2,800 00	Phœnix Bank	20,000 00
Vanvlick R. & D	1,400 00	F. S. Peace	1,637 92
Wayne Co. Bank	158 61	John Peters & Son	9,377 02
V. Worthington	61,493 07	Ross Co. Bank	44,613 33
A. P. Woods, coupons	480 00	Rawson, Wiley & Co	973 64
Wainwright & Norris	8,284 25	Rumley Township	106 75
Webster Bank, Boston	8,910 39	Robb, Hallett & Co	20,000 00
Western Bank, Phila.	8,799 86	J. A. Requa, agent	41 10
White's Bank, Buffalo	1,163 49	Sundries	6,777 12
N. L. Wilson	7,810 21	Summit Co. Bank	12,021 19
J. Wright	4,000 00	Springfield Bank	25,096 97
F. M. Wright	1,000 00	Savings Bank, Detroit	12,109 20
D. L. Yahr	1,957 45	M. Sanford & Co	51 93
Deferred interest	18,269 20	V. J. Scott	8,045 94
Difference	72 39	Vincennes Bank, old ac	25,980 22
		Strong & Wiley, Bros.	9,105 99
		Stebbins & Bloodgood	
		Straight, Deming & Co.	3,768 21
		Spear, Care & Co	1,593 61
		Smith, Winchester & Co.	10,121 28
		G. & J. Shoenberger, Cin	1,246 61
		Steub. & Ind. R. R. Jn'y ac	376 71
		Wm. A. Seaver	16 37
		Steub. & Ind. R. R. Feb. ac	498 00
		R. Schell	10,546 32

Balance sheet.—Continued.

Dr.			Cr.	
		Scioto County	35	73
		C. J. Steadman, spe	800	00
		N. P. Stewart	3,970	00
		Steubenville Township	35	00
		C. C. Thompson	4,050	97
		Town of Newark	35	00
		Town of Elyria	83	07
		Tuscarawas Township	230	00
		C. C. Trowbridge	71	11
		Vincennes branch, new ac	21,337	07
		A. Van Horne	10,800	28
		Windham Bank	16,320	43
		Western Reserve Bank	29,458	05
		Wellsburgh branch	8,172	24
		George Williams	3,729	89
		West Colum. M. & M. Co	361	17
		Water works, Detroit	2,971	18
		Washington Township	156	46
		H. C. Walker & Co	21	25
		V. Winters & Son	1,894	29
		C. J. Wood & Co	6,249	53
		Wortherspoon, Kingsford & Co.	97,222	22
		J. Woodbridge	18	30
		C. H. Williams	1,411	69
		White, Morris & Co	16,225	28
		Young & Pomeroy	1,322	36
		Young & Waite, rec	54	02
		Xenia branch	18,174	90
		Cr. & Woodbridge	500	00
		Bank State of N. Y	50,000	00
	3,199,128 80		3,199,128	80

273 Ex. F.

Statement of loans made by the New York office of the Ohio Life Insurance and Trust Company, 1843.

Date.	To whom.	Collaterals.	Amount.
1848.			
July 1	J. S. Atwood	100 shs. Chillicothe b'k st'k	10,000
1853.			
July 1	Rich'd Ackeman.	50 shs. Madison & Ind. R.R. Co. st'k 20 shs Cleveland & Pittsburgh R.R.	3,000
June 15	F Cutting	5 M. Greenville & Miami R.R. bonds	4,000
March 15	W. S. Nichols.	5 M Greenville & Miami R.R. bonds; 12 M. Greenville & Miami R.R. bonds. 7 M Cam & Niag Falls R R. Co. M't'g bonds; 2 M. Cam. & Comn'g R.R. Co., m't'g bonds.	20,892 83
Sept. 1	Alfred Kelley	98 shs. Col. & Xenia R.R. Co. st'k	4,450 30
1852.			
Aug. 6	J. L. Morris.	32 shs. Paterson & Law. Pa. R R st'k.	1,000
Oct. 15	G. W. McLean.	4 M. Chester Valley R R. 1st m't'g b'ds 2 M. Collins Steamship bonds.	5,520
March 2	E. S. Munroe	5 M. Greenville & Miami R.R. b'ds	4,500

Ex. F.—*Statement of loans, &c.*—Continued.

Date.	To whom.	Collaterals.	Amount.
1853.			
June 18	John Parker	25 shs. Clev'd & Pitts. R.R. Co. st'k	1,075
20	do.	25 shs. do.	1,250
Nov. 10	N. L. Wilson	500 shs. Penn. R. Ryst'k	10,000
1854.			
March 11	L. S. Thomas	5 M. Greenville & Miami R.R. b'ds.	5,000
June 28	F. Cutting	3 M. do.	1,900
Oct. 5	Sam. E. Foote	100 shs. Norwich & Wor. R R. stock; 50 shs. Ohio Trust Co. stock.	5,000
1855.			
Jan. 12	C. W. Rochwell	30 shs. do.	2,400
Jan. 11	Geo. H Kelsey	100 Clev'd & Pitts. R.R. Co. stock.	5,000
Feb. 15	J B. Varnum	267 shs. Cin., Ham., & Dayton R.R. "	15,000
	do.	480 shs. do.	25,000
March 17	J. B. Hull	72 shs. Juneau pl'k r'd st'k; 3 M. Clev'd & Pitts. R.R. dividend bonds.	5,000
May 29	Geo. S. Coe	50 shs. Ohio Trust Co. st'k	4,050
June 14	Chas. J. Stedman	50 shs. do.	4,000
22	John Ackerman	50 shs. Cin., Ham. & Dayton R. R. st'k	3,731 25
July 12	E R. Bebb	120 shs. do.	7.500
Aug. 2	Walter Lennox	8 M. city of Washington b'ds	7,600
2	Chas. J. Stedman	53 shs. Cin., Ham. & Dayton R.R. st'k; 3 M. do. bonds.	5,000
14	Fulton Cutting	6 M. Com. & Niagara Falls 2d m't'g b'ds	3,956 88
Sept. 15	Prince & Co.	Bal. due on his note	3,250
Oct. 15	N. R. Cobb & Co.	3 M. Virginia bonds; 2 M. Missouri b'ds; 3 M. Clev'd & Pitts. R.R. 2d m't'g b'ds.	6,400
20	Marietta & Cin. R.R.	50 M. Marietta & Cin. do.; 22 M. do.	25,000
27	Sam'l J. Real	97 shs. Clevel'd & Pitts. R.R. st'k; bal. due on ac't State st'ks with Knickerbocker Ins. Co., say $4,500.	7,705 34
Nov. 1	R. C. Stone	5 M. Covington & Lex. R.R. b'ds.	3,000
Dec. 27	N. L. Wilson	On same security as loans Nov. 10, '53	15,000
1856.			
Feb. 9	N. S. Nichols	5 M. Clevel'd & Pitts. R.R. 2 m't'g b'ds.	3,767 57
23	E. D. B Ogden	30 shs. Patterson & Rane Pa. R. R. st'k	425
Mar. 8	R. C. Stone	2 M Clev'l'd & Pitts. R. R. income b'ds; 500 do. 2d m't'g b'ds; 800 do. div'd b'ds; 200 Green Bay, Mil. & Chicago R. R. b'ds.	3 443 19
1856.			
May 15	F. Cutting		3,500
15	G. W. McLean	Bal. due by him on ac't 100 shs. Trust Co. st. margin over with Ballin & Sanders.	2,000
17	B. Ford	15 shs. Merch's & Mech. B'k Wheeling st'k.	1,300
275			
31	V. Worthington	Bal. due by him on ac. loan margin over $5,000 on 400 sh's Ind. & Cin. R. R. st'k.	777 34
Aug. 7	W. W. Ford	400 Cleve'd & Pitts. div'd bonds, 100 do. 2 m'tg. bonds.	800
13	W. W. Gilbert	24 M. Ohio Central bonds	5,000
19	R. Schell	7 M. Clevel'd & Pitts. R R. Co. bonds	5,000
27	W. W. Murphy & Co.	25 sh's Peoria & B. Valley R. R. st'k	2,000
Oct. 4	John Ackerman	100 sh's Ind. & Cin. R. R. st'k	2,500
17	G. Savage	1 M. Col. M. & M. Co. bonds	800
31	Jno. J. Anderson & Co.	Mudd & Co. due May 23, $5,000	5,000

Ex. F.—*Statement of loans, &c.*—Continued.

Date.	To whom.	Collaterals.	Amount.
Dec. 10	T. M. Kelley	50 sh's Clev'd, Columbus & Cin. R. R. st'ks.	5,000
31	V. Worthington	Int. on his loan due Jan. 1	641
1857.			
Jan'y 2	E. R. Codwise	3 M. Clevel'd & Pitts. R. R. income bonds	2,000
13	Geo. S. Coe	275 sh's Ind'p's & Cin. R. R. st'k	7,650
14	Jno. J. Anderson & Co	A. C. Woodruff & Co. due May 8	5,000
15	Main & Kanz	200 sh's Clev'd & Pitts. R. R. st'k	5,000
29	W. S. Hoyt	30 sh's Paterson & Ramapo R. R. st'k	1,000
Feb'y 25	Jno. J. Anderson & Co	Acc. Mudd & Co. due May 23	5,000
20	C. M. Wheatley & Pompelly.	100 sh's Col. & Xenia R. R. st'k	3,634 46
M'ch 2	Jno. J. Anderson & Co.	Acc. J. A. Mattison May 14	6,667 67
9	Norwalk Bank	D'ft on Ocean Bank due Ap'l 27, $5,000; Kents Lowb'n & S. due May 8, $2,000; do. 2,000; Griggs & S., 2,000.	11,000
10	C. J. Wood & Co	Acc. G. A. Carpenter, May 6	1,000
13	Jno. J. Anderson & Co.	J. A. Mattison due Ap'l 2, 5,000; do. do. June 1, 5,000.	5,000
16	Merch's B'k Cleveland	Holcomb & Co. due May 6, 3,000; Drake & Co. due May 11, 1,500; Coles & S. due May 14, 1,500; Wright G. & R. due May 16, 2,000; Drake & Co. due May 20, 2,700.	10,700
276			
21	Merch's & M'ch's Bank of Wheeling	W. R. Eckert due Ap'l 27, 1,000; Griffin & Co. due Ap'l 27, 2,000; B. H. Buckingham due Ap'l 27, 2,500; W. R. Eckert due May 1, 1,500; Griffin & Co. due May 1, 3,000; Adams & B. due May 1, 4,000; W. R. Eckert due May 15, 2,500; Garson & Co. due May 18, 5,000; J. L. Hobbs due May 23, 2,000; Adams & B. due May 26, 5,000; S. Sturgis due June 16, 5,000.	33,500
25	Mahoning Co. Bank	W. Bingham & Co. due May 4	2,000
25	Rob't Bayard	47 shs. Trust Co. st'k	4,500
26	V. Winter & Son	Their note due May 22, $10,000; Fatman & Co. June 19, 5,000.	15,000
28	F. Bond	1 M. Ill. & Mich. Canal st'k	1,000
Ap'l 2	V. Worthington	3,500 Clev'd & Pitts. R. R. div'd bonds; bal. Ind. & Cin. R. R. st'k, which may be in any other loans in this office.	5,201 76
3	C. J. Wood & Co	Acc. C. Hitchcock & Co., May 9	4,000
10	W. A. Seaver	On his note endorsed by H. Seymour	1,500
11	C. J. Wood & Co	Acc. Limmgh & Co., May 22	1,500
	Norwalk Bank	Tompkins & Co. due June 4, $3,000; Kent, S. & Co. due June 6, 2,000; Atwood & Co. due June 11, 3,000; Kent, S. & Co. due June 11, 2,000; Kent, S. & Co. due June 17, 2,000; Tompkins & Co. due June 24, 2,000.	15,000
277 15	J. J. Cisco	112 sh's City Bank st'k; 55 U. S. trust co.	16,000
16	Straight & Co	J. J. Anderson & Co., on Metrop. B'k, May 8.	5,000
17	Grosvenor & Co.,	Acc. Mead & Co., June 18	2,000
17	Merch's and Mech's B'k, Wheeling.	Robb H. & Co., due April 30, 2,789 93; Mudd & Co., May 20, 5,200; Broom, Gidden & Co., May 4, 5,000;	28,489 30

Ex. F.—*Statement of loans, &c.*—Continued.

Date.	To whom.	Collaterals.	Amount.
Ap'l 17	Merch's and Mech's B'k, Wheeling.	Do., May 28, 5,000; W. R. Eckart & Co., June 10, 2,000; Griffin & Co., June 10, 1,500; Spelman & M., June 10, 1,000; W. R. Eckart, June 4, 1,700; Spelman & M., June 4, 2,000; Adams & B, July 14, 5,000.	
17	J. Gardiner	400 sh's Clevel'd and Toledo R. R. st'k	14,000
20	E S. Munroe	10 M. Ind'a 5 per cent bonds	7,500
20	Main & Kanz	15 M. Milwaukee City 7 per cent	10,000
	Wheeler, Bellows & Co.	Bills receivable	12,000
25	Norwalk Bank	Acc. E. B. Litchfield, due, June 17, 5,000; do. 5,000; do. 5,000.	15,000
25	Summitt Co. Bank.	Gordon & Fellows, May 24, 5,000; do. June 6, 5,000.	10,000
25	Western Reserve B'k.	Acc. E. Cooke, June 13	4,420
28	C. Dellinger	Bills receivable	1,500
28	D. R. Martin	150 sh's Ocean Bank st'k	7,000
30	Straight, Denning & Co.	Note J. G. Harvey & Co., June 24	600
30	Western Reserve B'k.	Note J. Perkins and al., June 1, 5,000; July 1, 10.000.	15,000
278			
30	Prince & Co.	3 M. Virginia	2,408 89
May 1	T. Bond	Watertown and R st'k	1,500
1	J. J. Anderson & Co.	2 M. Kenewha and B. R. R. b'ds; acc. Valentine & Co., May 26. 5,000; acc. S. Gilmore, June 11, 5,000.	10,000
4	Mad River Bank	7 M. Virginia	6,000
5	C J. Wood & Co.	Acc. Hinks & Ball. July	2,000
6	H. A. Johnson & Co.	6 M. Ohio 67, 1856	6 000
7	Merch. and Mech's Bank, Wheeling.	R. Chamten, jr., & Co., May 16, 1.000; Robb, Hallett & Co, May 21, 1.000; W. R. Eckert, May 22, 1,500; Hewitt & Co, May 29, 10,139 42; Beeber & Co., June 6, 3.484 85; R. Florence et al, June 26, 5,000; S. Sturgis, July 17, 3,000.	25, 124 27

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Ex. G.

Office Ohio Life Ins. and Trust Co.,
New York, May 1, 1856.

Chas. Stetson, Esq'r, President, Cincinnati:

Dear Sir: At the request of E Ludlow, esq'r, cashier, we have examined the condition of the affairs of this office as presented to us in this annexed exhibit: first by a personal inspection of the collateral securities called for by the loan account, which we found to conform to the statement as detailed herein.

The condition of this office may be briefly summed up as follows:

1. Liabilities for deposits C. & P. ($1,375,422 33, 101,331 88)	$1, 274, 090 45
2. Liabilities for loans here on demand	1, 132, 355 03
Total	2, 406, 445 48

Which we find represented by the following assets, viz:

1. Due from Cincinnati office	$1,155,249 21
2. Debit balance in accounts consisting of amounts due from other banks for collections made and advances to correspondents and overdrafts C. & P. $559,978 33, less 101,331 88	458,646 45
3. Loans on demand (687,282 02, including amount shown to have been called in on the day before examination, 82,442 67,)	769,704 69
4. Cash in four banks, (6,781 52, 638 02, 2,798 05, 12,627 54)	22,845 13
Total	2,406,445 48

280 In reviewing this statement we would remark that the liabilities speak for themselves. They are all subject to instant demand, and admit of no hesitation or delay. If that portion called deposites may be to a limited extent considered permanent, the loans on demand are certain to be called for when least convenient to respond. The amount thus borrowed is greater than has ever before come to our knowledge in the history of the co. and is about equal to the total of the deposite ac't of this office. It shows a degree of expansion and fictitious business which to our minds presents cause for serious apprehension aside from the labor and anxiety requisite to keep it alive. For all practical purposes, therefore, we may consider the liabilities of this office on any one day without notice to be not less than one and a half millions as it now stands. To meet such a contingency what are the certain and immediate resources?

1. Amount due from your office. This, however safe and ultimately reliable it may be, has no instantaneous value whatever, nor can the paper which in fact represents it be made available for such purpose, 1st, because negotiations of magnitude cannot be made in New York without loss of a day or more of time, and secondly because the class of paper which your office negotiates is not that which by the Wall street standard is attractive to bankers and dealers. That which is strictly drawn against shipments of produce is from the relative standing of its drawees at best 2d and 3d rate here. And that which is made for mere purposes of exchange, of which by far the larger part of your remittances is composed, is absolutely worthless for any useful purpose.

281 The gentlemen of your board, allow us respectfully to state, are inclined to overestimate the facilities for raising money in this city on an emergency, and have not duly considered the necessity of maintaining a high credit for the company by avoiding the appearance of frequent poverty. They seem also not sufficiently sensible of the different standard by which paper is estimated here and in Cincinnati nor of the effect upon the credit and estimation of the institution by our banks and bankers with whom its signature is chiefly identified with unknown or 2d or 3d class names.

2d. Debit balances: There are evidently no resource for a short cash account, and on this statement we think they are larger than should exist and we have enjoined upon Mr. Ludlow to take instant measures to collect and reduce them.

3d. Loans on demand: These with cash on hand constitute the only instant means of relief, and in our opinion the amount of such loans of the most reliable character made to parties here and on securities instantly

available should never be less than one half the amount of liabilities of the office

Of those now outstanding		$687, 182 02
There are due from banks and correspondents of the office in their bills receivable and really bills discounted for the accommodation of depositors	$150, 256 10	
From N. L. Wilson and Marietta & Cin. R. R. Co.	65, 000 00	
From others not instantly available, say	125, 000 00	
		340, 256 10
Leaving only		$346, 925 92

against the $1,500,000 which, as stated above, may fairly be called
282 the momentary liabilities of this office and that without any effort on our part unfavorably to present its position we have impressed upon Mr. Ludlow the necessity of requiring payment of every outstanding loan as rapidly as possibly, and of converting those which are of older dates into new loans to other parties as soon as practicable. And we here beg to call your special attention to the loan to N. L. Wilson, $65,000, and desire to place upon record our opinion that the security is not beyond contingency and that a partial payment be immediately required by you to render it safe, and that it be thereafter called in at the earliest moment practicable. We now call your attention to the character of the parties to whom Mr. Ludlow is daily compelled to resort for assistance by loans on demand, as shown by this statement, and desire in the most emphatic terms to impress upon your board the danger which would result from the least whisper of calumny or suspicion as to the stability of the co. We are not unfrequently called upon to silence such reports among capitalists proverbially timid and credulous of dangers whispered, and you may well conceive how difficult a task is constantly imposed upon us and upon Mr. Ludlow in this respect, when his daily pressure and distress for money to meet your drafts and his hourly exposure of poverty, presents that high and manly independence which is the only refutation of slander that a moneyed institution can make effectual. So much are we now annoyed by our position, and so manifestly dangerous do we consider it, that we have unanimously determined to present this statement to your board as our final appeal and to determine our further connection with the co. by the manner in which it is practically considered by you. In our judgment there is no justification from the manner in
283 which your office throws its heavy burthen upon this. No sensible stockholder would desire it, nor would you be willing to have the daily recurring facts before us disclosed to a general meeting of parties interested. What possible inducement, therefore, can there be to pursue other than a safe and prudent and at the same time a comfortable course? We take pleasure in bearing our testimony to the vigor and success with which Mr. Ludlow has born his arduous duties. Were he disabled by sickness from attendance at the office, we would neither of us be willing, even if we were able, to bear his burthen for a day. This fact alone ought to be sufficient to impel a more judicious policy in your business with this office. We conclude by expressing the opinion that the indebtedness of your office, by the N. York books should never under any circumstances exceed one half of the regular and legitimate deposits of this office by which rule your debit balance here would now be about $600, and to this sum we recommend that it be immediately reduced and limited, and we trust that such an arrangement of books will be made and kept in view by the officers of your bank, as will prevent any further excesses.

Asking you to present this report to the special attention of the board, we are, dear sir, yours very respectfully.

ROBERT BAYARD,
CHAS. J. STEDMAN,
GEO. S. COE,
Trustees.

P. S.—It would afford us great pleasure to receive similar detailed statements of the affairs of your office at your earliest convenience, with your views of the practicability of carrying out the views expressed in the foregoing letter.

Respectfully, R. B.

284 *Statement of the condition of the New York office of the Ohio Life Insurance and Trust Co., May 1st, 1856.*

DR.

Bank of Commerce	$6,781 52
Merchants' Bank	638 02
American Ex. Bank	2,798 05
Manhattan Co	12,627 54
Office	1,155,249 21
Loans, (see particulars in annexed statement)	769,704 69
Interest ac	14,565 66
Exchange ac	523 06
Expense ac	7,128 78
Profit and loss	9,022 13
Bank of Commerce	3,680 00
Bank of Attica	4,568 39
Bank of Circleville	921 72
Barnet, Hoan & Co	1,587 46
Cleveland and Pitts. bond ac	118,381 81
Central Bank, Ind'a	4,370 57
Clinton Bank, Columbus	73 64
Clinton Bank	97 03
City Bank, Col's	2,125 07
Commercial Bank, Cin	200 00
Commercial Bank, Clev'd	2,276 65
Dayton Bank	1,761 46
Deferred interest	2,741 77
Exchange Bank, Col's	9,516 97
Farm's and Mech's Bank, Phila	20,767 47
Farm's and Mech's Bank, Hartford	21,094 69
Fuller & Cochrane	6,204 93
Farmers' Bank, Covington	712 35
286 Greencastle and M. R. R	1,974 06
Gregory, S. & Co	300 20
John Gardner	2,869 68
Harrison branch	12,752 88
Interest on State stocks	1,398 00
Knox Co. Bank	509 82
Merch's and Mech's Bank, Wheeling	35,877 12
Miami Co. Bank	328 24
Mahoning Co. Bank	3,056 59
Marietta and Cin. R. R	2,104 61
Michigan Ins. Comp	455 23

Michigan State Bank	5,013 83
New York State Bank	44,640 77
New England Bank	38,767 46
Newark Banking and Ins. Co	3,688 66
North Western B'k, Virginia	3,182 59
Norwich Bank	5,026 00
Point Pleasant branch	4,141 41
Powell Bank, Newberg	5,252 47
Portsmouth Bank	21,094 24
Springfield Bank	12,096 67
Webster Bank, Boston	26,865 44
Western Bank, Phila	14,457 66
White's Bank, Buffalo	1,163 49
	2,427,137 70
Individual ac., (see particulars)	80,639 66
	$2,507,777 36

285 CR.

Office checks	$126, 754 60
Athens branch	12, 660 45
Akron Branch RR	1, 935 99
Bank of Geauga	23, 120 22
Bank of Marietta	20, 913 81
Bellemont branch	39, 967 23
Bank of Portsmouth	18, 147 98
Board of control	39, 721 04
Bank of Maysville	3, 103 04
Chillicothe branch	13, 504 41
Champaign Co. branch	14, 928 61
City Bank, Toledo	10, 685 11
Cleveland and Pittsburg RR	92, 031 88
Cleveland and Pittsburg RR. stock ac.	9, 300 00
Cin., Ham. and Dayton RR	1, 900 50
Delaware Co. branch	24, 239 61
Dayton branch	12, 504 77
Dayton and Western RR	640 32
Exchange Bank, Circleville	18, 916 35
Exchange Bank, Greencastle	1, 716 33
Franklin branch, Columbus	54, 950 03
Farmers' branch, Salem	26, 601 43
Farmers' branch, Ripley	12, 005 48
Farmers' Deposit, Pittsburg	27, 911 50
Farmers' Bank, Urbana	1, 809 85
Farmers' Bank, Mansfield	3, 530 09
Fairfield County	1, 224 38
Guernsey branch	22, 298 35
287 Hocking Valley Bank	11, 814 47
Indianapolis branch	1, 631 96
Jefferson branch	11, 038 44
Iron Bank, Ironton	12, 692 34
Inds. and Cin. RR.	15, 592 69
Int. on bonds	1, 092 77

Logan branch		20,016 95
Little Miami RR		1,863 21
Mad River Valley Bank		4,309 55
Muskingum branch		32,654 90
Mount Pleasant branch		34,999 01
Merch'ts' Bank, Cleveland		33,478 79
Mad River and Lake Erie RR		4,624 90
Norwalk Bank		18,067 83
Piqua branch		4,846 27
Pickaway Co. Bank		14,463 64
Preble County Bank		40,417 14
Parkersburg branch		13,952 05
Pickaway County		1,405 48
Peninsular Bank		2,703 29
Ross Co. Bank		13,131 79
Summitt Co. Bank		12,289 43
Savings Bank, Detroit		14,100 39
Vincennes branch		1,843 71
Windham Bank		14,855 66
Western Reserve Bank		20,286 39
Wayne County branch		13,463 24
289 Wellsburgh branch		2,551 29
Xenia branch		36,622 46
General dividend		3,191 00
Dividend No. 35		1,716 00
		1,052,740 39
Individual acc's, (see particulars)		322,681 94
		1,375,422 33
Money borrowed in N. York, pay'ble on demand—		
Brown Bro's & Co.	$550,000 00	
Bebee & Co	50,000 00	
Dennistown, Wood & Co.	195,000 00	
Wm. Hoge & Co	56,750 00	
Jas. Lee & Co	180,605 03	
Manhattan Co	100,000 00	
		1,132,355 03
		2,507,777 36

Date.	To whom.	Collaterals.	Amount.
1848—July 1	J. S. Atwood	100 shares Chillicothe Branch B'k	$10,000 00
1853—July 1	Rich'd Ackerman	150 shares Madison and Ind. RR. Co. stock; 20 shares Cleveland and Pitts. RR. Co. stock	3,000 00
Jan. 15	Fulton Cutting	5 M Greenville and Miami RR. Co. bonds	4,000 00
1854—Jan'y 1	Geo. W. McLean	8 M Cleveland and Pitts. RR. Co. bonds	6,579 50
1853—Mar. 15	E. Ludlow, jr	3 M Cleveland and Pitts. RR. Co. bonds; 1 M Greenville and Miami RR. Co. bond	3,000 00
Mar. 15	W. S. Nichols	5 M Greenville and Miami RR. Co. 1 m't'g. bond; 12 M Greenville and Miami RR. Co. 1 m't'g bond; 60 sh's Greenville and Miami RR. Co st'k; 22 sh's Ohio Trust Co. stock; 2 M Canandagua and Corning RR. Co. b'ds; 6 M Canandagua and Niagara Falls RR. b'ds	20,892 83
1852—Mar. 2	E. S. Munroe	5 M Greenville and Miami RR. Co. bonds	4,500 00
Aug. 6	J. S. Morris	32 sh's Patterson and Hudson RR. Co. st'ks	1,000 00
Oct. 15	Geo. W. McLean	4 M Chester Valley RR. Co. bonds; 2 M Collins steamship bonds	5,520 00
1853—Sept. 1	Alfred Kelley	98 sh's Columbus and Xenia RR. Co. st'ks	4,450 30
June 18	John Parker	25 sh's Cleveland and Pittsburg RR. Co. st'ks	1,075 00
20	" "	25 sh's Cleveland and Pittsburg RR. Co. st'ks	1,250 00
Nov. 10	N. S. Wilson	1,000 sh's Pennsyl'a Central RR. Co. st'ks	10,000 00
	Do	On same securities as above	15,000 00
1854—March 11	L. S. Thomas	4 M Madison and Ind. RR. Co. bonds; 5 M Greenville and Miami RR. Co. bonds	5,000 00
April 15	Do	2 M Greenville and Miami RR. Co. bonds; 1 city of Wheeling bond	1,900 00
June 28	Geo. Brown	7 M Cleveland and Pitts. RR. Co. bonds	5,600 00

Statement of loans—Continued.

Date.	To whom.	Collateral.	Amount.
June 28	Fulton Cutting	3 M Greenville and Miami RR. Co. b'ds	2,000 00
July 8	Do	6 M Columbus and L. Erie RR. Co. b'ds	3,500 00
July 8	Gilbert & Johnson	50 M Ohio Central RR. bonds; 5 M Can'a and Niagara Falls RR. Co. b'ds; 3 M Niagara Falls and L. Ontario RR. Co. b'ds	40,365 00
Sept. 25	E. S. Munroe	1 M Cleveland and Pitts. RR. Co. bonds; 2 M Catawissa RR. Co. 1 m't'ge bonds	2,400 00
Oct. 5	Sam'l E. Foote	100 sh's Norwitch and Worcester RR. Co. st'k; 50 sh's Ohio Trust Co	5,000 00
Nov. 4	J. P. G. Foster	3 M Virginia bonds	2,800 00
1855—Jan. 3	N. R. Cobb & Co	7 M Columbus and Piqua RR. Co. b'ds; 3 M Junction bonds	4,000 00
12	C. W. Rockwell	30 sh's Ohio Trust Co. st'k	2,400 00
June 11	Geo. H. Kelsey	100 sh's Cleveland and Pitts. RR. Co. st'k	5,000 00
Feb'y 15	J. B. Vammer	267 sh's Cin., Ham. and Dayton RR. Co. stock	15,000 00
" "	Do	480 " " " " "	25,000 00
M'ch 14	Walter Lenox	4 M " " " " " b'ds	3,000 00
17	J. R. Hall	4 M Marietta and Cin. R. R. Co. b'ds; $1,800 Jamaica Plank Road	5,000 00
Ap'l 14	Gilbert & Johnson	On same securities as loan July, (interest)	1,813 52
May 1	Prime & Co	3 M Missouri bonds	2,535 00
29	Geo. S. Coe	50 sh's Ohio Trust Co. stock	4,050 00
June 4	Chas. J. Stedman	40 sh's American Ex. B'k stock	4,000 00
22	Jno. Ackerman	50 sh's Cin, Ham., and Dayton RR. Co	3,731 25
30	Gilbert & Johnson	On same securities as July 1, (int. accrued)	2,894 33
July 12	E. R. Bebb	120 sh's Cin., Ham., and Dayton RR. Co. stock	7,500 00
July 17	E. S. Munroe	13 M Cleveland and Pitts. RR. Co. bonds	10,000

Aug.	2	Walter Lennox	8 M Alexander and Washington RR. Co. bonds, endorsed by the city of Washington	7 600	
	3	Chas. J. Stedman	58 sh's Cin., Ham. and Dayton RR. Co. stock; 3 M. do. do. bonds	5,000	
	14	Fulton Cutting	70 sh's Atlantic Bank stock; 6 M Canadagua and Niagara Falls RR. Co. b'ds	7,500	
	15	Prime & Co	20 M Cleveland and Pitts. RR. Co. b'ds	10,300	
	20	E. S. Munroe	2,600 do. do.; 1 M City Lafayette; 1 M Evansville and Ind. RR. Co. bonds	4,000	
	23	Neil & Dennison	Bills receivable	7,280	
Sept.	15	Prime & Co	On same securities as Aug. 15th	3,250	
Oct.	3	E. S. Munroe & Co	5 M Indiana 5 per cent. bonds; 3 M Cleveland and Pitts RR. Co bonds	6,459	87
	15	N. R. Cobb & Co	2 M Missouri bonds; 3 M Columbus, Piqua and Ind. RR. Co b'ds; 4 M Indiana State 5 per cent. b'ds	6,400	
	15	E. S. Munroe & Co	7 M Indianapolis and Cin. RR. Co. b'ds	5,660	
	20	Geo. W. McLean	30 M Cleveland and Pitts. RR Co. b'ds	15,000	
	20	Marietta and Cin RR. Co	50 M Marietta and Cin. RR. Co. 2 m't'ge b'ds	25,000	
	27	Samuel J. Beals	97 sh's Cleveland and Pittsburg RR. Co. stock; $4,000 Missouri bonds	7,705	34
Nov.	1	R. C. Stone	5 M Covington and Lexington RR. Co. bonds	3,000	
Dec.	21	H. W. Ford	23 sh's Cleveland and Pitts. RR. Co st'k	500	
	26	Jno. J. Anderson & Co	Acceptance Sanger, Stewart & F., $10,000	9,726	39
	27	N. L. Wilson	On same securities as Nov. 10, '53	15,000	
	31	Merch's and Mech's B'k, Wheeling.	Bills receivable	5,000	
	31	Gilbert & Johnson	January interest on loans due this office	2,308	81
1856—Jan.	15	Jno. Gardner, cash'r	400 sh's Cleveland and Toledo RR. stock; note dated Jan'y 1, 1856	14,000	
	22	C. D Hurd	20 sh's Relief Fire Ins. Co. stock	1,400	
Feb'y	6	F. W. Coolidge	24 sh's Amer. Express Co. stock	1,400	
	7	Merch's and Mech's B'k, Wheeling.	Bills receivable; S. P Bishop on J. N. Perkins, due May 6	4,000	
	9	W. S. Nichols	9 M Cleveland and Pitts. RR. Co. stock	5,247	57

Statement of loans—Continued.

Date.	To whom.	Collaterals.	Amount.
1856—Feb'y 13	W. W. Murphy & Co.	Bills receivable acc. R. Mead & Co., due June 17	$5,000
23	E. D. B. D. Ogden	13 sh's Paterson & —— RR. Co. st'k	425
29	H. A. Johnson & Co	24 M Cleveland and Pitts. RR. Co. b'ds	13,000
March 1	J. T Soutter	25 M do. do	15,000
6	T. Bond	13 sh's Rom and Watertown RR. Co. st'k	700
8	R. C. Stone	7 M Great Western RR. Co. bonds	5,000
11	H. A. Johnson & Co	6 M Cleveland and Toledo RR. Co. bonds	3,000
13	F. F. Marberry	101 sh's Columbus and Xenia RR. Co. stock	3,000
17	B. Ford	15 sh's Merch's and Mech's B'k, Wheeling	1,300
24	Jno. J. Anderson & Co	Acc. Harris & Co., due May 30 $5,000	
		Do. do. 5,000	
			9,315 37
28	W. W. Murphy & Co.	Acc. E. C. Litchfield, treas., due May 12	2,296 00
Ap'l 1	Ross Co. Bank	A. S. Nye, cash on this office, due May 4 $6,000	
		Do. do. 9 7,000	
		Do. do. 18 7,000	
			20,000
294 April 1	H. A. Johnson & Co	10 M Cleveland & Pittsburg RR. Co. bonds	6,000
2	D. Messinger	3 M Milwaukie & M. RR. Co. bonds	2,000
3	Savings Bank, Detroit	Note H. Ledyard, due July 3d	20,000
4	Merch'ts' B'k, Clevel'd	Note T. M. Kelley, due Aug. 8th	5,000
7	J. S. Stebbins	4 M. Cleveland & Pitts. RR. Co. bonds	3,000
8	Harshman & Winters	Bills receivable acc. J. H Read due, May 6	1,200
9	Norwalk Bank	Do. viz: acc. F. T. Carrington due May 28 $5,000	
		Do. do. 3,000	
		Acc. Rents, Lowber & Co., due May 2 6,000	
			13,000

	10	W. W. Murphy & Co.	Bills receivable acc. R. Mead, due July 10		2,000
	11	City Bank, Toledo	Do. viz: acc. Bates, Griffin & L., due June 2	$2,500	
			Do ..... do ..... do 11	2,500	
					5,000
	12	Geo. Brown	10 M Cleveland & Pitts. RR. Co. bonds; 3 M city of Wheeling bonds		10,000
	16	J. T. Soutter	50 M Cleveland & Pitts RR. Co. bonds		30,000
	17	H. A. Johnson & Co	On N. York & Erie bonds of 1883		2,000
	17	City Bank, Toledo	Bills rec, viz: H. H. Walby on Bank Commonwealth, due May 15		978 34
	22	G. M. Snow	150 sh's Cleveland & Pitts. RR. Co. stock, $500 Harlem bonds		4,900
	22	W. W. Murphy & Co	Acc. E. C. Litchfield, tr., due June 12		960
	24	Summitt Co. Bank	Bills receivable as follows:		
			Acc. Wright Gilbert & R., due May 26	$5,000	
			Do ..... do ..... do 2	5,000	
					10,000, 00
295	24	Norwalk Bank	Bills rec. as follows:		
			E. B. Litchfield, tr., due June 21	$5,000	
			Kents, Lowber & Smyth, July 1	2,000	
			Do ..... June 21	3,000	
					10,000
	24	Bank of Geauga	Bills receivable as follows:		
			Note S. C. Sell, due June 6	$1,015	
			Note Ew. Clarke, due July 6	1,485	
					2,500
	24	Harshman & Winters	Acc. J. H. Read, due May 20		2,000
	26	Jas. Harzman	15 sh's Manhattan Co. stock		500
	29	E. T. H. Gibson	5 M. Cleveland & Pitts. RR. Co. bonds		3,750
	29	V. Worthington	400 shs. Indianapolis & Cin. RR. stock		8,300
	29	Summitt Co. Bank	Bills receivable as follows:		
			Note Owiatt Holt, due June 9	$5,000	
			Acc. Rawson Foot & Co. due June 14	2,500	

Statement of loans.—Continued.

Date.	To whom.	Collaterals.	Amount.
April 29	Summitt Co. Bank.....	Acc. Rawson, Foot & Co., due June 23..... 3,000 Do..... " 28..... 4,500	$15,000
29	Geo. W. McLean.....	5 M. Marietta & Cin. RR. Co. bonds, 1 m't'ge; 5 M. Mich. Southern and Northern Ind RR. Co. bonds; 3 M. Indianapolis & Cin. RR. Co. bonds; 5 M Louisiana bonds.....	14,062 60
30	E. S. Munroe & Co.....	10 M Missouri b'ds; $1,100 Cleveland & Pitts. RR. Co. b'ds	9,500
		Am't c. f'd.....	687,282 02

296 The following loans were paid on the 1st day of May, 1856:

Names.	Date.	Amount.
Amount brought forward		$687,282 02
F. F. Marburg	April 8	1,156 93
Springfield Bank	March 27	9,332 24
Champaign Co. Bank	March 26	3,386 27
E. S. Munroe & Co	April 30	20,000
E. B. Litchfield	April 30	15,000
F. Lane	Nov. 5, 1853	2,700
R C. Stone	March 14	2,850
E. S. Munroe & Co	April 17	2,858 81
G. Brown	April 10	2,262 50
J. J. Anderson & Co	Feb'y 26	5,000
Geo. W. McLean	March 26	1,195
Stagg & Co	April 26	5,000
Geo. W. McLean	June 28, 1854	2,000
Robert Bayard	April 25	7,829 39
Sam. J. Beals	March 6	1,251 53
Total am't loans on 30 Ap'l, as per statement		769,704 69

297 *Individual accounts, May* 1, 1856.

Dr.		Cr.	
Thos. Andrews	$666 68	James Armstrong	$134 40
George Andrews	1,000 00	J. J. Anderson & Co	12,868 69
J. W. Andrews	1,300 00	Adams, Carlins & Co	2,925 01
S. J. Beals	484 30	W. A. Butler & Co	3,330 09
J. C. Butler & Co	1,626 90	Butler, Macks & Co	22,433 39
F. Bloodgood	1,250 00	R. Bayard	4,501 82
N. R. Cobb & Co	1,276 41	Wm. K. Bond	139 07
Carlisle & Stedman	284 99	Barber, Brown & Co	65 88
Cin Gas Light and Coke Co.	27 34	D. Beckel	677 20
Carpenter & V	2,573 37	S. Brady	4,696 16
F. Cutting	4,757 70	C. Conahan	486 46
Fisher, Denny & Co	2,383 84	City of Portsmouth	150 77
J. P. G Foster	833 80	J. S. Carr	14 56
J. R Hazard	3,420 00	City of Toledo	1,118 51
J. Harrison	455 00	County of Mercer	156 12
Holcomb & Co	5,000 00	City of Wheeling	182 07
W. A Hill & Co	677 51	Cin., Peru and Chicago RR	688 00
Wm. Heighler	1,056 03	C. Colins	4,802 91
A. Edwards	5,200 00	L Case	200 00
J. Kneass	105 00	Jas. H. Caldwell	22,058 59
Geo. H Kelsey	2,836 28	Central Ohio RR	133 22
E Ludlow, jr	75	Col's, Piqua, and Ind. RR.	70 00
E. S. Munroe & Co	2,298 82	Chartier's Valley RR	45 45
F. F. Marburg	1,853 72	Col's and Xenia RR	24 67
Newcastle and Richmond RR	36 50	Dugan, Means H. & Co	1,149 06
Wm Neil	8,165 86	E. Dexter	59,064 29
S. W. Ogstone	4,059 72	J. L Durmont	10 00
Portland Township	88 24	W. B. Dinsmore, treas	15,000 00
S. C. Parkhurst	5 28	Ewing, Carlins & Co	2,000 33

Individual accounts.—Continued.

Dr.		Cr.	
C. W. Rockwell	$8,099 00	E. B. Fuller	$16,605 32
Riggs & Co	500 00	E. Franklin & Son	2,889 04
Sundry ac	7,338 70	R. L. Fabian	188 12
Straight D. & Co	371 25	R. Fletcher	1 11
Strachan & Scott	751 53	Wm. J. Gordon	30 67
Sanford & Co., Buff	319 09	Guernsey County	87 50
T Tuttle	762 63	D Gould & Co	443 84
J. M Thorne	658 11	W. W. Gilbert & Co	100 00
L. S Thomas	200 00	Harshman & Winters	1,596 59
T. W. Tallmadge	972 50	Hertzler H. & Co	12,472 24
Tomb, Huss & Co	1,487 69	S Henshaw & Sons	352 61
Ursden, Russell & Co	320 36	G. A. Hall	200 39
Springfield and Col's RR	87 68	C. C. Hilliard, assignee	895 92
C Stetson	2,828 68	Iron Railroad	78 75
G. Swan	100 35	Jackson County	34 99
C. J. Stedman	68 05	H. A Johnson & Co	24,911 38
R. C Stine	1,050 00	Latimer, C. & L	725 04
Van Vlick, R. & D	1,000 00	Wm. J Lowry	96 90
		Loomis & Campbell	38 17
		W. H. Ludlow	1,073 39
		N. Longworth	254 34
		Licking County	93 00
		W. W. Murphy & Co	4,341 06
		Miller, Donaldson & Co	3,447 65
		Martin & Co	514 84
		E Mills & Co	66
		McCullough & Co	5,000 00
		J. M. Marshall	1,000 00
		N. G Nettleton	873 75
		Ocean Bank	95
		Outhaile & B	1,000 00
		B Parker & Co	19 98
		Palmer, H & Co	50 51
		Philips & L	575 02
		G. M Pares	2,598 20
		Papenheimer & Dreytoot	05
		Robinson, King & Co	1,533 63
		C Roberts, trustee	21 00
		Sundry ac	9,090 57
		Steubenville and Ind. RR	492 78
		M. Sanford & Co	1,741 72
		Spears, Case & Co	3,074 60
		D. D. Spencer & Co	1,600 39
		Smith, Winchester & Co	11,120 83
		Scioto County	175 88
		O. C. Thompson	1,261 01
		Town of Newark	35 00
		Town of Elyria	18 07
		Springfield and Col's RR	105 00
		J. L. Smith	13,658 60
		E N. Sill	15 75
		G. & J. H Shoenberger	3,707 25
		A Van Horne	1,493 75
		B R. Vaughn	16 68
		H. Vallette	116 50
		Geo. Williams	4,997 91
		West Colum. M. and M. Co	860 94
		Washington Township	43 23
		Water Works, Detroit	580 79
		N. L. Wilson	8,256 11
		G. Woolverton	4,700 00
		V. Worthington	1,220 75

Dr.	*Individual accounts.*—Continued.		Cr.
		J. Woodbridge	$77 50
		J. Whitney & Co	749 48
		Ward & Co	280 00
		J. S Wright	20 44
		C. H. Williams	1,082 13
		Wann & McBurney	403 83
		Young & Waite, rec'r	45 54
		Young & Pomeroy	376 18
		Brokers' certificates	8,000 00
	$30,639 66		$322,681 94

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Ex. "H."

CINCINNATI, *August* 24, 1857.

Board met at 3 o'clock. Present: John C. Wright, A M. Taylor, C. Dietrich, S. Fosdick, S. J. Broadwell, and S. B. Keys, trustees.

On motion, Samuel Fosdick was appointed president *pro tem.*, in absence of Chas. Stetson.

On motion of John C. Wright, esq., be it resolved, under the recent unexpected news of the suspension of this company, at its office in New York, this day, it is the sense of this board that this company should close its doors and suspend payment until they can be fully advised of the condition of said office, and that the assistant cashier cause to be published in the morning papers the folling circular, to wit:

The Ohio Life Insurance and Trust Company having very unexpectedly received advices from New York that the office of this company in that city had suspended payment this day, the board of trustees deem it expedient to close its doors and suspend payment until they can be fully advised of the true situation and condition of that office. The board of trustees deem it proper to say to the public that they regard the means of the company ample to meet all its engagements, and that early steps will be taken to resume business.

(Signed) S. P. BISHOP, *Ass't Cashier.*

Aug. 24, 1857.

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P. S.—The collection paper will be found at the Bank of Messrs. Groesbeck & Co, and the discounted paper in the room of the trust department of this company.

S. P. B., *Ass't Cashier.*

Adjourned. G. W. RICE, *Sec'y.*

CINCINNATI, *August 26th*, 1857.

Board met. Present: S. Fosdick, pres't *pro tem.*, A. M. Taylor, S. J. Broadwell, S. B Keys, John C. Wright, C. Dietrich, and G. Lucky.

Resolved, As the sense of this board, that the president, now in New York, be requested to forward to this office with as little delay as possible a detailed statement of the affairs of the company as they exist in that office, with the names of the borrowers, the amount of liabilities, and the nature of the securities, with his estimate of the probable loss in that office, and that a copy of the above be forwarded by the next mail.

On motion of Mr. Broadwell the following despatch was ordered to be sent to N. Y. to the president:

Have you written or sent us a statement? We have heard nothing as to your true condition. We are receiving checks in payment of debts due, and due in both departments. Board waiting for a reply.

The following despatch was received:

N. Y., *Aug.* 26.

S. Fosdick, pres't:

Wholly impossible to render any statement of any value to you. Can have none for several days. I have written you, and shall do so every day.

C. STETSON.

The following was offered by A. M. Taylor:

Resolved, That until further information regarding the condition of the office in New York, the board deem it advisable not to receive checks
303 on this company in payment of obligations not yet matured.

On motion of J. C. Wright, laid upon the table. The cashier was ordered to publish a statement of the present condition of the company.

Adjourned.

SAM'L FOSDICK, *Pres't p. t.*
S. J. BROADWELL, *Ass't Sec'y.*

Mr. Fosdick read the following despatch from Charles Stetson, president:

NEW YORK, *Aug.* 24, 1857.

S. P. Bishop, cashier:

Suspension unavoidable. It has already taken place.

C. STETSON.

On motion of Mr. Taylor it was resolved to send a despatch to N. Y., asking instructions.

The following was received:

N. Y., *Aug.* 24, 1857.

S. P. Bishop, cashier:

I see no other course than for you to close your doors.

C. STETSON, *Pres't.*

On motion of Mr. Keys it was resolved to call a meeting of the bankers of this city and Covington this evening at 7½ o'clock, to confer as to the best course to be adopted.

Adjourned.

G. W. RICE, *Sec'y.*

EVENING SESSION.

Present as at 3 o'clock. After conference with the bankers of this city and Covington, it appearing that no aid could be extended to this institution from this city, it was ordered that the doors of the bank be closed
304 temporarily in the morning, and the cashier ordered to publish in the morning papers the following notice.

CINCINNATI, *Aug.* 27, 1857.

Board met. Present: S Fosdick, pres't *pro tem.*, Messrs. J. C. Wright, A. M. Taylor, S. B. Keys, C. E. Enyart, C. Dietrich, S. J. Broadwell, and G. Lucky, trustees.

On motion, Mr. Taylor's resolution was taken up. Mr. Wright moved to lay it on the table. Carried. Ayes—J. C. Wright, S. B. Keys, C. G. Enyart, C. Dietrich, and S. J. Broadwell, Fosdick, and Lucky. Nays—A. M. Taylor.

J. C. Wright offered the following:

Resolved, That we receive checks of creditors on their cash balances standing to their credit in New York office, in payment of loans and debts due in both departments, when the persons paying the same have authority. Carried.

It was ordered that when the real estate shall be exhausted by attachments, that the secretary be ordered to hand over to the sheriff bonds and stock sufficient to satisfy the claims under which orders of attachment are out.

Adjourned.

S. FOSDICK, *Pres't p. t.*
S. J. BROADWELL, *Ass't Sec'y.*

CINCINNATI, *August 29th*, 1857.

Board met. Present: S. Fosdick, pres't p. t., Messrs. Keys, Wright, Taylor, Enyart, Dietrich, Broadwell, and Lucky, trustees.

305 Mr. Fosdick offered the following:

Resolved, That Messrs. Scarborough and Hooper be requested to visit New York in behalf of this company, there to aid in the examination, with the president, of the affairs of the agency, and to advise and counsel as to the most expeditious course to be adopted arising from the position of our affairs; and further, that a general or special report is requested the earliest period practicable. And the president, with the committee, is further requested to advise with any person in N. Y. authorized to represent the board of control of the State Bank of Ohio. Carried.

John C. Wright offered the following resolution, which passed:

Resolved, That this company will settle and pay off the cash balances appearing to be due to the branches of the State Bank of Ohio, and to other banks, by passing over to each notes and securities for the amount due without recourse, on condition that each of said banks shall discontinue at their own costs any suit which may have been commenced to enforce collection of their claims. If, in carrying out this arrangement, error shall intervene, either in overestimating the amount due by the company to the banks, or of the amount due on the securities passed over by this company, the party in whose favor such error is found shall correct and make good to the other any deficiency so arising. But in no event will this company guar-

306 antee the solvency of the party whose papers are handed over as above, or the sufficiency of the security given therefor.

Adjourned.

S. FOSDICK, *Pres't, p. t.*
S. J. BROADWELL, *Ass't Secy.*

CINCINNATI, *Aug.* 31*st*, 1857.

Board met. Present: S. Fosdick, president, p. t., Enyart, Taylor, Keys, Dietrich, Lucky, J. C. Wright, and Broadwell.

Adjourned until 3 p. m.

Board met according to adjournment. Present: Trustees above.

Adjourned until 8½ a. m. to-morrow, Sept. 1st.

A. J. BOARDWELL, *Sec'y.*

CINCINNATI, *Sept.* 1*st*, 1857.

Board met according to adjournment. Present: S. Fosdick, pres't pro tem., Messrs. J. C. Wright, Enyart, Lucky, Keys, Dietrich, Taylor, and Broadwell.
Adjourned until 3 p. m.

Board met according to adjournment. Present: Trustees as above.
Adjourned until 8½ a. m. to-morrow, Sept. 2d.

S. J. BROADWELL, *Sec'y.*

CINCINNATI, *Sept.* 2*d*, 1857.

Board met according to adjournment. Present: S. Fosdick, pres't p. t., Messrs. J. C. Wright, Enyart, Keys, Dietrich, Taylor, and Broadwell.
On motion it was ordered that Messrs. Ramsay, Backhus, and Noble,
307 att'ys, of Cleveland, be employed as counsel in obtaining a dismissal of the attachment suit by Norwalk Bank.
Adjourned until 3 p. m.

Board met pursuant to adjournment. Present: Trustees as above.
Adjourned until 8½ o'clock, 3d inst.

S. J. BROADWELL, *Ass't Sec'y.*

CINCINNATI, *Sept.* 3*d*, 1857.

Board at 8½ a. m. Present: S. Fosdick, pres't p. t., Messrs. Keys, Parkhurst, J. C. Wright, Dietrich, Enyart, Taylor, and Broadwell.
It was ordered that junction railroad bonds (real estate) be passed over to the Bank of Ironton and Ashland in settlement of their cash balances.
Adjourned until 3 p. m.

S. J. BROADWELL, *Ass't Sec'y.*

Board met at 3 p. m. Present: Trustees last above named.
Adjourned until 8½ a. m., 4th inst.

S. J. BROADWELL, *Ass't Sec'y.*

CINCINNATI, *Sept.* 4, 1857.

Board met at 8½ a. m. Present: S. Fosdick, pres't p. t., Messrs. Parkhurst, Keys, J. C. Wright, Dietrich, Enyart, N. Wright, Keys, and Broadwell.
Messrs. J. C. Wright, Keys, and Broadwell appointed a committee to remain in the office of the company and advise with the officers.
Adjourned.

S. J. BROADWELL, *Ass't Secy.*

308 CINCINNATI, *September* 5, 18857.

Board met. Present: S. Fosdick, pres't p. t., Messrs. Taylor, Keys, J. C. Wright, Enyart, Parkhurst, Crawford, Deitrich, and Broadwell.
Adjourned until 3 p. m.

S. J. BROADWELL, *Ass't Sec'y*

Board met at 3 p. m. Present: S. Fosdick, pres't p. t.; Messrs. Taylor, Keyes, J. C. Wright, N. Wright, Enyart, Parkhurst, Crawford, Dietrich, and Broadwell.
On motion of S. Fosdick, it was ordered that the corporate seal of this company be affixed to a power of attorney, dated August 29, 1857, authorizing

Peter R. Keiser, jr., to transfer to R. S. Oakley, cashier of American Exchange Bank, five hundred shares, (certificate No. 4667,) Pen. Av. R. R. R'd stock, said power being signed by Edwin Ludlow, cashier. It was further ordered that the corporate seal of this company be affixed to a power of attorney dated Sept. 5, 1857, authorizing Peter A. Keizer, jr., to transfer to the American Exchange Bank five hundred shares, (certificate No. 466,) of Pennsylvania Cen. R. R. stock, said power being signed by Fosdick, pres't p. t.

Adjourned until 8½ a. m., 7th inst.

S. J. BROADWELL, *Ass't Sec'y.*

CINCINNATI, *Sept. 7th*, 1857.

Board met. Present: S. Fosdick, pres't p. t., Messrs. J. C. Wright, Parkhurst, Dietrich, Crawford, Keys, Taylor, Enyart, and Broadwell.

109 On motion the following resolutions were adopted:

First. That the calls upon the officers and employees of the company in the present disturbed state of the public mind are so frequent and important as to require the constant aid and advice of some member of this board, and in order to afford that aid and advice that an executive committee composed of three trustees be appointed, who shall have power to advise with and direct said officers and employees in such cases as may require action when the board is not in session; and J. C. Wright, S. B. Keys, and S. J. Broadwell, are hereby appointed said committee.

Second. Whereas numerous attempts have recently been made by illegal attachments, suits, and other unjust and oppressive proceedings by parties claiming to be creditors of this institution, to lock up and finally appropriate to their own exclusive use the effects of this company, and in that way to hinder the legal application by the company of its means to the discharge of all its debts; and whereas it is right and proper to resist this unjust proceeding as far as practicable, and to do so requires the expenditure of money for fees and incidental expenses, and obligations: Therefore resolved, that the assistant cashier and secretary out of any funds in their hands pay such expenses and obligations, or place means in the hands of the executive committee for that purpose.

310 Third. *Resolved*, That in the opinion of this board any balance found due to the State of Ohio or to any county of said State, should be cancelled and paid as fully as the balances in favor of the State Bank have been, and that the ass't cashier or secretary, with the advice of the executive committee, appropriate sufficient for that purpose.

Adjourned until 2½ p. m.

S. J. BROADWELL, *Ass't Sec'y.*

Board met at 2½ p. m. Present: S. Fosdick, pres't p. t., Messrs. Keyes, J. C. Wright, N. Wright, Lucky, Parkhurst, Crawford, Broadwell, Dietrich, and Enyart.

Adjourned until 8½ a. m., 8th inst.

S. J. BROADWELL, *Ass't Sec'y.*

CINCINNATI, *Sept. 8th*, 1857.

Board met. Present: S. Fosdick, pres't p. t., Messrs. Lucky, Keys, J. C. Wright, N. Wright, Crawford, Parkhurst, Enyart, Taylor, and Broadwell.

Adjourned to 3 p. m.

Board met according to adjournment. Trustees present as last above.

Adjourned.

S. J. BROADWELL, *Ass't Sec'y.*

CINCINNATI, *Sept.* 9, 1857.

Board met. Present: S. Fosdick, pres't p. t., J. C. Wright, Keys, Dietrich, Enyart, N. Wright, Broadwell, Parkhurst, and Crawford.

It was ordered that the assistant cashier pay over to Anthony Harkness, esq., agent of the Manufacturers' Bank of Providence, R. I., thirty-five thousand dollars ($35,000) of the bank notes issued by said bank, said
311 bills being their property.

Adjourned to 3 p. m. S. J. BROADWELL, *Ass't Sec'y.*

Board at 3 p. m. Present: Trustees as above.

Adjourned to 11 a. m., 10th instant.

S. J. BROADWELL, *Ass't Sec'y.*

CINCINNATI, *Sept.* 10, 1857.

Board met. Present: S. Fosdick. pres't p. t., Messrs. Lucky, J. C. Wright, N. Wright, Keyes, Dietrich, Enyart, Broadwell, Parkhurst, and Crawford.

Adjourned to 3 p. m.

Board met at 3 p. m. Trustees present: S. Fosdick, pres't p. t., Messrs. Lucky, J. C. Wright, Keyes, Dietrich, Enyart, Broadwell, Parkhurst, and Crawford.

Adjourned to 10 a. m., 11th inst.

S. J. BROADWELL, *Ass't Sec'y.*

CINCINNATI, *Sept.* 11, 1857.

Board met. Present: S. Fosdick, pres't p. t., Messrs. Taylor, J. C. Wright, Keyes, Lucky, Parkhurst, Enyart, Crawford, and Broadwell.

It was ordered, whereas Eliza Giddings, of Cleveland, executrix of the late Charles M. Giddings, offers to discharge the balance due the company on his indebtedness and asks to have the property held to secure the debt conveyed to her or her order in fulfillment of the contract with Mr. Giddings, and it is ordered that the president *pro tem.* sign and affix the seal of the company to the deed to be executed in the absence of the president.

Adjourned to 3 p. m.

Board met at 3 p. m. Trustees present: Fosdick, Keys, J. C.
312 Wright, Broadwell, Enyart, Taylor, and Crawford.

Adjourned to 10 a. m., 12th inst.

S. J. BROADWELL, *Ass't Sec'y.*

CINCINNATI, *Sept.* 12, 1857.

Board met. Present: S. Fosdick, pres't p. t., Messrs. Taylor, Enyart, J. C. Wright, N. Wright, Dietrich, Stedman, Crawford, Broadwell, and Parkhurst.

It was ordered that Messrs. Dietrich and Taylor be appointed a committee with power to fix the price of the Febiger lot and Congress st. lot and arrange for the sale of the same.

It was ordered that the executive committee settle with the Windham Bank, Smith, Winchester & Co., for their cash balances in the New York office

Adjourned to 3 p. m.

Board met at 3 p m. Trustees present: Fosdick, Taylor, Enyart, J. C. Wright, Dietrich, Crawford, Keys, and Broadwell.

Adjourned until 14th inst.

S. J. BROADWELL, *Ass't Sec'y.*

CINCINNATI, *Sept.* 14, 1857.

Board met. Present: S. Fosdick, president *pro tem.;* Messrs. Taylor, Crawford, Parkhurst, Enyart, Deitrich, Broadwell, and J. C. Wright.

Adjourned to 3 p. m.

Board met at 3 p. m. Present: S. Fosdick, pres't *pro tem.;* Taylor, Crawford, Enyart, and Keys, trustees.

It was ordered that the interest of the company in the Febiger property on 4th street, between Vine and Race streets, be sold to Thomas R.
313 Biggs on payment of eleven thousand dollars, and that S. Fosdick, pres't *pro tem.*, be authorized to execute a deed of the property and affix the corporate seal of the company thereto.

It was ordered that the written opinion of the solicitor be requested on the following points: How far we can set aside a fund to satisfy,

1. The notes in circulation.
2. Deposits by order of court and otherwise in trust for accumulation.
3. To meet liabilities or policies of insurance.
4. Whether we can regard policies of insurance as other contracts to be settled with on fair and equitable principles.

Adjourned.

S. J. BROADWELL, *Ass't Sec'y.*

CINCINNATI, *Sept.* 15*th*, 1857.

Board met. Present: S. Fosdick, pres't *pro tem.;* Messrs. Parkhurst, Taylor, Enyart, Keys, Crawford, Luckey, J. C. Wright, Geo. Stedman, Broadwell, and Deitrich, trustees.

Ordered that the property at southeast corner of Court street and St. Clair alley be sold to Messrs. J. & S. H. Goodin at $11,000.

Adjourned.

S. J. BROADWELL, *Ass't Sec'y.*

CINCINNATI, *Sept.* 16*th*, 1857.

Board met. Present: S. Fosdick, pres't *pro tem.;* J. C. Wright, Keys, A. M. Taylor, Parkhurst, Enyart, Crawford, Stedman, Broadwell, and Dietrich, trustees.

The executive committee was authorized to negotiate for the sale of the trust company building at $125,000, and the Wade lot at $35,000, to
314 Merchants' Bank of Cleveland.

Adjourned to 3 p. m.

[See page 57.]

S. J. BROADWELL, *Ass't Sec'y.*

Board met at 3 o'clock. Present: S. Fosdick, Broadwell, J. C. Wright, Dietrich, Crawford, and Parkhurst.

Adjourned.

S. J. BROADWELL, *Ass't Sec'y.*

CINCINNATI, *Sep.* 15, 1857.

Board met at 3 o'clock p. m. Present: S. Fosdick, pres't *pro tem.;* J. C. Wright, C. G. Enyart, S. B. Keys, S. C. Parkhurst, C. Dietrich, S. J. Broadwell, Geo. T. Stedman, Geo. Crawford, Geo. Lucky, and A. M. Taylor, trustees.

The following preamble and resolution, marked "A," were unanimously passed:

Whereas the board of trustees of this institution has, after full deliberation, and with the most anxious desire to do their whole duty to all parties interested, come to the conclusion it is necessary and proper for them to

order an assignment to be made to Charles Stetson, John C. Wright, Samuel Fosdick, Samuel J. Broadwell, George Crawford, Abraham M. Taylor, and Clement Dietrich, and to the survivors of them and the survivor of such survivors, and his heirs in due form of law of all the real estate and personal property, debts, assets, effects, claims, and demands of this institution, to wit: The Ohio Life Insurance and Trust Company, a body politic incorporated by the general assembly of the State Ohio, wheresoever the
315 same may be situate; in trust, nevertheless, for the following uses and purposes only, to wit: to hold, possess, manage, control, collect, sell and dispose of the same to the best advantage, so as to cause them to produce the greatest amount of money and without unnecessary and unreasonable delay, and when and as often as reduced to money sufficient for the purposes of this trust, to appropriate the same as follows, to wit: first, to pay the expenses and costs of this assignment, and executing the trust under the same; second, to pay off all the debts due and owing by and all the other liabilities of this institution, to wit: the said The Ohio Life Insurance and Trust Company, as may be required by law; and third, the surplus, if any, after said debts and liabilities shall be paid in full, to restore and pay over to the said the Ohio Life Insurance and Trust Company, her successors, or assigns, or otherwise distribute the same as may be lawful; and the said deed of assignment shall contain a clause authorizing and empowering the said Charles Stetson, John C. Wright, Samuel Fosdick, Samuel J. Broadwell, George Crawford, Abraham M. Taylor, and Clement Dietrich, and the survivors of them, and the survivor of such survivors and his heirs, to compound and compromise all debts and claims due to this company, and to compound and compromise all claims and demands against the said
316 company, and to execute all releases and other instruments of writing necessary and proper for the complete and perfect execution of the foregoing trusts, and to use the name of the said the Ohio Life Insurance and Trust Company as may be necessary and proper for the purposes aforesaid.

And whereas the said Charles Stetson, John C. Wright, Sam'l Fosdick, Samuel J. Broadwell, George Crawford, Abraham M. Taylor, and Clement Dietrich, have agreed to accept said trusts and a conveyance in due form of law for the purposes aforesaid:

Therefore, be it hereby resolved and ordered that Samuel Fosdick, president pro tem of the said the Ohio Life Insurance and Trust Company during the temporary absence of Charles Stetson, president thereof, do execute to the said Charles Stetson, John C. Wright, Samuel Fosdick, Samuel J. Broadwell, George Crawford, Abraham M. Taylor, and Clement Dietrich, a deed in due form, subscribing thereto the name of the Ohio Life Insurance and Trust Company, by him as president pro tem., and affixing thereto her seal, and acknowledging the same before some competent authority to be the proper act and deed of the said the Ohio Life Insurance and Trust Company in pursuance of this resolution, a copy whereof he will cause to be attached to said deed, and deliver the same to the said trustees for the uses
317 and purposes as aforesaid, upon their executing a declaration accepting the said trusts; and it is hereby further ordered that the officers of the company prepare and furnish to the said trustees a schedule of the property, effects, claims, and demands of the company, and also of the liabilities of the company, and that possession be delivered to said trustees upon the execution of the deed of trust hereby ordered; and further, that copies of said schedule be preserved among the files of the company.

The following resolution was unanimously passed:

Resolved, That the deed of assignment be properly executed and placed in the hands of the executive committee, together with Samuel Fosdick, C.

Dietrich, and Geo. Stedman, to be delivered to the assignees when in their opinion it may be necessary.

Adjourned.

S. J. BROADWELL, *Asst. Sec'y.*

CINCINNATI, *Sept.* 17, 1857.

Board met. Present: S. Fosdick, pres't pro tem., Broadwell, J. C. Wright, A. M. Taylor, C. Dietrich, Enyart, Crawford, and Parkhurst.

Adjourned to 3 p. m.

S. J. BROADWELL, *Asst Sec'y.*

Board met according to adjournment. Present: S. Fosdick, Broadwell, J. C. Wright, A. M. Taylor, Parkhurst, Dietrich, and Broadwell.

Adjourned.

S. J. BROADWELL, *Asst. Sec'y.*

318 CINCINNATI, *Sept.* 18, 1857.

Board met. Present: S. Fosdick, pres't pro tem., Messrs. Taylor, Parkhurst, J. C. Wright, Dietrich, Stedman, Crawford, Broadwell, and Enyart.

Adjourned to 3 p. m.

S. J. BROADWELL, *Asst. Sec'y.*

Board met according to adjournment. Present: Taylor, Parkhurst, J. C Wright, Dietrich, Enyart, and Broadwell.

Adjourned.

S. J. BROADWELL, *Asst. Sec'y.*

CINCINNATI, *Sept.* 19, 1857.

Board met. Present: S. Fosdick, pres't pro tem., Messrs. Taylor, Parkhurst, J. C. Wright, Dietrich, Enyart, and Broadwell.

Adjourned.

G. W. RICE, *Sec'y.*

CINCINNATI, *Sept.* 21*st*, 1857.

Board met. Present: S. Fosdick, pres't pro tem., Messrs. Broadwell, Keys, Taylor, J. C. Wright, Enyart, Crawford, Stedman, Dietrich, Luckey, trustees.

Ordered, That the executive committee be discharged by their own request.

Ordered, That the cashier and secretary pay out bonds and stocks of the company to depositors at their face, dividing said securities into two classes, 1st and 2d, to be paid out in equal proportions.

Adjourned.

G. W. RICE, *Sec'y.*

CINCINNATI, *Sept.* 22, 1857.

Board met. Present: S. Fosdick, pres't pro tem., Messrs. Parkhurst, Enyart, Stedman, Dietrich, Broadwell, J. C. Wright, George Crawford, trustees.

Adjonrned.

G. W. RICE, *Sec'y.*

319 CINCINNATI, *Sept.* 23, 1857.

Board met. Present: S. Fosdick, pres't pro tem., Messrs. Dietrich, Broadwell, Enyart, Crawford, Parkhurst, J. C. Wright, and G. T. Stedman, trustees.

Adjourned.

G. W. RICE, *Sec'y.*

CINCINNATI, *Sept.* 24, 1857.

Board met. Present: S. Fosdick, pres't pro tem., Messrs. J. C. Wright, Enyart, Stedman, Luckey, Parkhurst, Dietrich, Crawford, and Broadwell, trustees.

The following preamble and resolution was offered by J. C. Wright for adoption:

Whereas it is now made apparent to the board of trustees that the recent astounding and reckless waste of the assets of the company in the office in New York has so reduced its available means that they are inadequate to pay its debts in full; and whereas it would violate the trust and confidence reposed in the board of trustees to continue in that state of care the payment of demands in full, as by so doing, among other things, facilities are offered to the most pressing and urgent creditors, and to speculations in checks, to obtain full payment by exhausting the means of the company, while the confiding creditors who rely upon this board to make an equitable appropriation of its means among all its creditors, is left wholly unprovided for: Therefore—

Resolved, That a suspension of payment is imperatively called for by a sense of duty and of justice, and that such suspension is hereby or-
320 dered.

The ayes and noes being called for upon the adoption of the said preamble and resolutions, the vote stood as follows: Ayes—Parkhurst, Luckey, and J. C. Wright. Noes—Dietrick, Crawford, Stedman, Broadwell, Enyart, and Fosdick.

Whereupon J. C. Wright offered the following protest, which was ordered to be entered in the minutes, viz:

To the board of trustees of the Ohio Life Insurance and Trust Company:

The undersigned, a trustee of the company, fully believing the facts stated in the foregoing preamble and resolutions, and that the course therein suggested is proper for this board to pursue, most earnestly and deliberately protests against the continuance of full payments to the creditors who first present their demands, when it is apparent that the means of the company are not sufficient to pay all demands in full.

The undersigned asks to have this his protest entered on the minutes of the proceedings of the board this day.

Cincinnati, Sep. 24, 1857.

(Signed) J. C. WRIGHT.

The following resolution was offered by Mr. Fosdick: *Resolved*, That for the present the mode heretofore adopted by the trustees, of exchanging securities, disposing of the real estate or other assets of the company for claims against the company be continued on terms fixed and to be
321 fixed by the trustees, which was passed by the following vote, viz:

Ayes—Fosdick, Deitrich, Stedman, Broadwell, Crawford. Noes—Enyart, Luckey, Wright, and Parkhurst.

It was ordered that the lands in Illinois be sold to Barker, Hart & Co. for

$6,200, and that the president *pro tem.* be authorized to execute and deliver a deed therefor with the seal of the company attached.

Ordered that the unimproved lands in Ohio, now owned by this company, be sold at $6 per acre.

Adjourned.

G. W. RICE, *Sec'y.*

CINCINNATI, *Sept.* 25, 1857.

Board met. Present: S. Fosdick, pres't *pro tem.*, Messrs. J. C. Wright, Enyart, Stedman, Crawford, Broadwell and Parkhurst.

Adjourned.

G. W. RICE, *Sec'y.*

CINCINNATI, *Sept.* 26, 1857.

Board met. Present: S. Fosdick, pres't *pro tem.*, Messrs. Stedman, Dietrich, Broadwell, Enyart, Crawford, Parkhurst, and J. C. Wright.

It was ordered that a special meeting of the board be held at 3 p. m., and that all the members be notified.

Adjourned to 3 p. m.

G. W. RICE, *Sec'y.*

CINCINNATI, *Sept.* 26, 1857.

Board met at 3 o'clock, as per adjournment. Present: S. Fosdick, pres't *pro tem.*, Geo. T. Stedman, George Luckey, C. G. Enyart, J. C. Wright, S. J. Broadwell, C. Dietrich, S. C. Parkhurst, and George Crawford, trustees.

It was resolved that the officers and clerks be paid to October 1st,
322 and the clerks discharged under the advice of the assistant cashier and secretary.

Resolved, That the New York agency be discontinued.

The following was offered by George T. Stedman:

The deed of assignment ordered by resolution of the board of trustees, passed on the 15th inst., having been prepared and read, and it being now manifest that an assignment should be made, it is ordered that said deed of assignment be now executed and delivered to the trustees named therein in pursuance of said resolution.

Passed unanimously.

[Deed of assignment follows.]

323 Ex. I.

Condensed statement of the condition and business of the Ohio Life Insurance and Trust Company, ending with the seventeenth day of August, A. D. 1857.

Means of the insurance and trust department.

Debts secured by mortgage on real estate	$1,259,266 15
Debts secured by stocks and real estate	1,036,836 32
Real estate	243,605 20
Contingent taxes	7,008 5
Bonds of Clark County	2,125 00
Knox County	18,150 00
Decatur County	8,000 00
Dayton Township	13,125 00

city of Dayton		29,100 00
city of Cincinnati		900 00
city of Covington		3,200 00
Cin., Ham. & Dayton railroad		164,000 00
Junction railroad		125,000 00
Mansfield & Sandusky railroad		18,000 00
Fayette Co, K'y		4,789 47
Boyle Co., K'y		3,421 06
Dayton & Western RR		17,524 47
Hills. & Cincinnati RR		23,000 00
Stock of Cin., Ham. & Day. RR		20,475 00
Madison, I. & R. RR		100 00
Branch bank, Vincennes		20,600 00
Cincinnati Fuel Company		1,200 00
Banking department		207,254 98

324 Of the banking department:

Notes and bills discounted		1,838,996 23
Amount due from banks		158,196 48
Cash, viz: bank notes	201,486 00	
specie	13,306 39	
		214,792 39
Funds in transitu		50,000 00
		5,507,791 50

Liabilities of the insurance and trust department.

Deposits under twelve months	701,479 58	
Dividends unpaid	94,806 00	
Miscellaneous ac't	34,348 86	

Of the banking department:

Trust department	207,254 98	
Circulation	3,320 00	
Deposites	1,191,098 48	
Amount due to banks	192,515 82	
Amount due to agencies	682,895 26	
Bills payable	720 00	
		3,078,438 98
Excess of means over current liabilities		2,429,352 52
Twenty year deposites in trust	96,381 00	
Trust of accumulation	628 57	
Premium ins. on life	48,762 44	
		145,772 01
		2,383,580 51
Capital stock		2,000,000 00
Excess of means over liabilities		283,580 51

Proof.

Net profits	29, 554 25
Surplus fund	200, 657 05
Deferred interest	53, 369 21
	283, 580 51

325 Ex. "K."

CINCINNATI, *September* 8, 1858.

To the creditors and stockholders of the Ohio Life Insurance and Trust Company:

The assignees of the Ohio Life Insurance and Trust Company present to its creditors and stockholders the annexed statements, showing, as nearly as it is now in their power to show, the condition of its affairs at the office in Cincinnati and at the agency in New York. The delay in the presentation of these statements (deeply regretted by the assignees) has resulted from causes entirely beyond their control, causes which still prevent more than an approximate statement of the liabilities and assets of the company, as well as the final settlement of the trust confided to the assignees. It will be sufficient to name a few of the causes of the delay and embarrassment attending the investigations of the assignees. Take the following for examples:

1. The confused condition of the books and papers at the agency in New York, which rendered it impossible to ascertain from those books and papers the real state of many of the most important of the numerous accounts in that office; that is to say, that many entries for large amounts of both debits and credits have been entirely omitted; that many erroneous and false entries for large amounts have been made on the books; that many of the securities held at the office as collaterals to loans had been separated from the obligations to secure which they were held, and again pledged to secure money borrowed, in some case in the name of the company, not only
325½ without the knowledge or authority of the trustees, but against their express instructions. Also that a large amount of the bills and notes forwarded by correspondents for collection only had been pledged in the same way. Of these transactions the books and papers afford no reliable evidence, and, so far as they related to parties with whom the company had accounts, required the interchange of full transcripts of the accounts and a comparison of the items to reconcile the discrepancies. This required much time. In some cases the request of a transcript has been met with neglect, and in others by a refusal to forward any account. Much time was required to obtain detailed accounts from correspondents. Repeated claims for the credit of items omitted, of the correctness of which no evidence was found, also occasioned delay and embarrassment. All the books and papers in the office of the New York agency were in the custody of the sheriff, held under numerous attachment suits, requiring the examinations by the assignees to be conducted with his permission and under his supervision and that of his deputies.

2. A very large number of lawsuits had been commenced immediately after the suspension against the company in various places in the States of New York, Ohio, Virginia, Kentucky, and Indiana, and in the cities of Boston, Hartford, Philadelphia, Baltimore, St. Louis, Nashville, and New Orleans. In these suits each plaintiff hoped, by attaching
326 the credits of the trust company, to secure to himself full payment, and the suits have been vigorously prosecuted for the attain-

ment of that object. The suits required attention and time. Some of them have been terminated, and a considerable amount of assets have been reclaimed for the general creditors, but a large portion of them, still undecided, are subject to the "law's delay." The expenses attending this litigation will reduce the amount of the assets in dispute, whether the decisions apply them to the attaching creditors or to the general fund.

The causes above enumerated will account for the delay in making even the imperfect statement now presented, and show why it is impossible at this time to make a settlement of the trust. The assignees may never be able to ascertain the exact truth connected with the property covered by the assignment, but as soon as these vexatious lawsuits are determined and the assignees can convert the assets under their control, they will be able to close up the trust.

The figures which represent the value of the stocks, bonds, and doubtful debts, rest on mere estimates of value, and these assets may, when converted, realize more or less than the estimates. Some of them will bring more now than they would have brought had a sale been forced at an earlier period. The assignees have taken steps to enforce the collection of the bills receivable and to place the other securities in condition to be
327 disposed of as opportunities may offer without too great a sacrifice.

By order of the assignees.

S. J. BROADWELL, *Chairman.*

328 *Ohio Life Insurance and Trust Company at Cincinnati.*

Liabilities banking department:

Circulation		$4,000 00
Dividends unpaid		6,863 00
Assignees' certificates outstanding	$128,175 77	
Less amount issued for obligations of New York agency	47,507 69	
		80,668 08
Office checks on New York outstanding		38,698 30
Certificates deposite outstanding		22,164 44
Individual depositors, amount due them		262,531 97
Due to banks and other correspondents		35,519 16
		$450,444 95

Liabilities trust department:

Certificates of deposite outstanding	$273,308 06	
Life policies: Amount estimated as sufficient to cancel this claim	25,000 00	
		298,308 66
		$748,753 61

Assets, banking department:

Bills receivable	$198,896 58	
Estimated bad	17,500 00	
		181 396 58

Estimated good		$45, 705 91
Offsets claimed		135, 250 00
Held under attachments		440 67
Suspended debt	$41, 552 09	
Estimated bad	15, 844 23	
	25, 677 86	
Estimated good		21, 141 80
Offsets claimed		4, 536 06
Due from banks and other correspondents:		
Held under attachment		100, 908 63
Bonds estimated at		18, 700 00
Cash		93, 390 56
Whereof has been used for the redemption of 100 bonds, Cincinnati, Hamilton, and Dayton Railroad Company, pledged in New York, $63, 022 50.		
		420, 073 63
Assets, trust department:		
Bills receivable	$229, 173 86	
Estimated bad	126, 226 20	
	102, 947 66	
Estimated good		88, 334 99
Offsets claimed		2, 197 93
Held under attachments		12, 414 74
Real estate, unincumbered, estimated		31, 658 00
Held under attachments		24, 133 34
Bonds estimated at		83, 600 00
Decree against the Nashville and Trust Co., estimated value	$60, 000 00	
Less, fees and expenses allowed by the court,	21, 000 00	
		39, 000 00
		$701, 412 63

At New York.

Liabilities:	
Banks and others, amount claimed $1, 768, 759 59; admitted	$1, 459, 427 40
Disputed	309, 332 19
Assignees' certificates	47, 507 69
Collection paper in possession of attaching creditors in New York $488, 240 94; upon this amount it is estimated a loss may accrue, say 25 per cent	122, 060 24
	$1, 938, 327 52

Assets:		
Loans	$493, 697 92	
Estimated bad	302, 245 92	
	191, 452 00	

Offsets claimed		$12,250 00
Held under attachments		179,202 00
Bills receivable	223,279 43	
Estimated as bad	48,704 59	
	174,574 84	
Offsets claimed		34,094 00
Held under attachments		140,480 84
Receiver, superior court, N. Y.:		
Bills receivable	$27,310 44	
Offsets claimed		1,213 69
Held under attachments		26,096 75
Banks and other correspondents	$833,348 86	
Est. as doubtful and disputed... $664,772 83		
Bad	94,327 69	
	759,100 52	
	74,248 34	
Estimated as good		15,507 37
Held under attachments		27,087 13
Offsets claimed		31,653 84
Suspense ac.:		
Estimated as valueless	$241,878 86	
Individual accounts	817,857 74	
Held under attachments		3,514 78
Estimated as doubtful	$87,268 62	
Bad	727,074 54	
	814,343 16	
Bonds held under attachments		214,900 00
Unincumbered		92,050 00
		778 050 40

330 *Cincinnati office,* Dr.

Amount of the capital stock	$2,000,000 00
Amount of other liabilities as near as can be ascertained	748,753 61
Total	$2,748,753 61

Cr.

Amount of the estimated value of assets	$701,412 63	
Amount of various claims against the New York agency paid by Cincinnati office	2,109,983 60	
		2,811,396 23
Excess		62,642 82

New York agency, Dr.

Amount of the present liabilities as near as can be ascertained	$1,938,327 52

Brought forward		$1, 938, 327 52
Amount of various claims paid by Cincinnati office as above		2, 109, 983 60
		4, 048, 311 12

Cr.

Amount of the estimated value of assets at New York agency		778, 050 40
Loss or excess of liability		3, 270, 260 72

Condensed statemenent.

Liabilities at Cincinnati		$748, 753 61
Liabilities at New York admitted	$1, 628, 995 33	
Disputed	309, 332 19	
		1, 938, 327 52
		2, 687, 081 13
Offsets at Cincinnati	141, 983 99	
Offsets at New York	79, 211 53	
	221, 195 52	
Attachments:		
Cincinnatti	$137, 897 38	
New York	591, 281 50	
	729, 178 88	
		950, 374 40
Uncovered		$1, 736, 706 73
Assets at Cincinnati		$701, 412 63
Assets at New York		778, 050 40
		1, 479, 463 03
Deduct as above		950, 374 40
Remains to meet uncovered claims		$529, 088 63

331 L.

Stock ac. E. Ludlow, cashier.

Cr.

1855.		Shares.	
Feb'y 15.	By balance from C. W. R., cash'r	602	[$60, 200
Ap'l 28.	Corning & Co	50	5, 000
May 3.	Bal. certif'e	25	2, 500
" 8.	Adams & S	13	1, 300
1856.			
Jan'y 24.	R. Schell	48	48
"	Prime & Co	2	2
June 13.	E. S. Munroe & Co	70	7, 000
Nov. 4.	Ballin & Sander	100	10, 000
Nov. 17.	Do	74	7,400
		984	98,400

1855.		Dr.		
May	3.	To sundries	50	5,000
June	4.	C J. Stedman	13	1,300
July	12.	E. Ludlow	25	2,500
July	13.	Do	62	6,200
"	16.	Do	3	300
"	20.	R. H. Lowrey, C's	100	10,000
"	31.	R. H. Lowrey, C's	100	10,000
Sept.	14.	Prime & Co	165	16,500
1856.				
Feb'y	19.	Dan. W. Kellogg	10	1,000
"	22.	Weeks & Co	10	1,000
Ap'l	8.	G. W. McLean	100	10,000
"	12.	G. H. Kelsey	72	7,200
Nov.	5.	Prime & Co	70	7,000
"	29.	Ballin & Sander	174	17,400
1857.				
Jan.	9.	N. R. Cobb & Co	30	3,000
			984	98,400

332 Ex. "M."

Cincinnati, 28*th Oct.*, 1848..

The board met. Present: C. Stetson, president, and Messrs. Lawler, Burnet, Parkhurst, Scarborough, Fosdick, and Taylor, trustees.

A letter from the president to J. N. Perkins, of this date respecting the debt of Winslow & Perkins, was submitted to the board, approved and ordered to be forwarded.

The committee to whom were referred the recent letters and statements of the cashier, respecting the affairs of the agency in New York, submitted the following report, which was accepted, and a copy of the same ordered to be forwarded to the cashier in New York for his government.

Report.

1st. Your committee are of opinion that the credit which has been opened in London with Messrs. Barnet, Hoar, & Co., for the use of this company, should not be used unless the necessities of the company absolutely require it.

2d. That all loans made at the office in New York to trustees residing in Ohio, shall be called in within three months from this date, and no new loan be made there to any trustee unless by consent of the board of trustees here. Should the liability of the trustee at Cincinnati not exceed the amount he is entitled to by the charter, the loan may be transferred to this office.

333 3d. That the loans to V. Worthington, in New York, shall not in any event exceed $25,000, and that the same shall cease on the first of January next.

4th. That all loans which have been made at the agency in New York to other persons than trustees of this company shall be paid up when the time for which they were made shall have matured, and those for which no time was specified shall be called in forthwith, and no new loans shall be made except at the recommendation of the trustees in New York, and approved by the board at Cincinnati.

5th. That the cashier be instructed to consult with the trustees in New York, in reference to the payment of a claim for damages by Wetmore, Cryder, & Co., and to transmit their opinion with his own to the board here, whether such claim should be paid or resisted. And if in his opinion it be necessary, he is instructed to get further legal opinion, which he will also forward to the board in Cincinnati.

6th. That the house of J McGregor & Co., of New Orleans, have not met their engagements to this company, made under authority on the 11th August last, and recommend that speedy measures be taken to call in this
334 debt, as well as all others due from said house.

7th. That the office in Cincinnati should be charged with the following items.

1st. The amount of debt now standing on the books of the agency in New York *vs.* Gower & Co., London, as per statement of G. S. Coe, cashier	$437,115 20
2nd. The amount of debt now at the debit of P. Dow and Dwight Johnson, on the books of the said agency in New York	152,739 90
3d. That the debt due from the Bank of the River Raisin, to the agency in New York be transferred to this office	392 05
4th. That the debt of P. Dow & Co., to the agency, be transferred to this office	3,021 12
5th. That the debt of J. C. Macy, to the agency, be transferred to this office	1,748 03
	$595,217 03

8th. That a transfer to this office be made of all the evidences of debt and securities for claims now charged this office, including the amount of H. Buchanan, properly proven.

9th. That the Ohio 6 p'r cent. and the treasury notes now owned by the company should be disposed of, provided the cashier and trustees in New York deem it advisable.

10th. That speedy measures be taken to collect the doubtful debts due the company in New York; when ascertained to be worthless, to be charged to profit and loss there.

Respectfully submitted. Cincinnati, 27th Oct., 1848.

(Signed) C STETSON,
DAVIS B. LAWLER,
W. W. SCARBOROUGH,
SAM'L FOSDICK, *Com.*

335 "N."

OHIO LIFE INS. AND TRUST CO.,
Cincinnati, Ap'l 26, 1854.

C. W. Rockwell, esq., cashier, New York:

DEAR SIR: I have now the pleasure to own the rec't of y'r favors of the 6, 11, 14, 18, and 24th inst., with enclosures as therein named. The board of trustees approve of the suggestion of the trustees in your city, to advance the rates of interest on deposits with you, to five per cent. per annum. The board suggests that the present would be an excellent opportunity to abrogate the circular issued some time since, wherein the company placed themselves under an obligation to discount or advance for their depositors, or to abrogate so far as is practicable to do so.

Y'rs truly, C. STETSON, *Pres't.*

336 "O."

Copies of telegraph despatches and letters. The despatches numbered arbitrarily by the commissioner.

1. (By telegraph from N. York, 24, 1857.)

CINCINNATI, *Aug.* 24, 1857.

To S. P. Bishop, ass't cash'r:
One, two, three, four, five, six, seven, eight, nine, absolutely necessary. Shall write by mail.

C. STETSON.

2. (By telegraph from New York, 24, 1857.)

CINCINNATI, *Aug.* 24, 1857.

To S. P. Bishop, cash'r:
One, two, three, four, five, six, seven, eight, nine, absolutely necessary. Shall write by mail.

C. STETSON.

3. (By telegraph from New York, 24, 1857.)

CINCINNATI, *Aug.* 24, 1857.

To S. P. Bishop, cash'r:
Suspension unavoidable; it has already taken place.

C. STETSON.

4. (By telegraph from New York, 24, 1857.)

CINCINNATI, *Aug.* 24, 1857.

To Sam. Fosdick:
The concern stops payment here to-day.

GEO. S. COE.

337 5. (By telegraph from New York, 24, 1857.)

CINCINNATI, *Aug.* 24, 1857.

To S. P. Bishop, cash'r:
I see no other course than for you to close your doors.

C. STETSON.

6. (By telegraph from New York, 26, 1857.)

CINCINNATI, *Aug.* 26, 1857.

To S. Fosdick:
Wholly impossible to render any statement of any value to you, can have none for several days. I have written you and shall do so every day.

C. STETSON.

Letters included in "O."

NEW YORK, *Aug't* 24, 1857.

D'R SIR: I reached the Astor yesterday afternoon, and found there in waiting Mr. Ludlow. We took a carriage immediately and rode over to Brooklyn, to the house of Mr. Coe, where I passed the night. We immediately took up the inquiry as to the condition of the company here. I regret to say that

it was most appalling, and I left confident that unless relief to an enormous extent was procured to-day, suspension was inevitable. It could not be had, and suspension is the consequence. Before I reached here loans to the amount of 5 or $600,000 had been made by the American Exchange
333 Bank, and they could do no more. I visited this morning the Bank of Commerce, and endeavored to make a negotiation to the extent of 2 or $300,000 without success. As a last resort we then visted Brown Bros. & Co., of whom we had already borrowed $100,000, and from them could procure nothing. By this time it was 2 'cl'k, when it was concluded that any further effort was useless, and the flag was struck. You will no doubt be surprised at what has taken place. I can but briefly state some of the reasons; and first the large advances Mr. Ludlow has made to the Cleveland and Pittsburg RR. Co., some 6 to $700,000, also the indebtedness of the Hillsboro' RR. Co. The Marietta R. R'd about 120th on the securities of our solicitor, Mr. Worthington, and many others, making a large aggregate. The panic existing here in reference to all RR. securities has brought about this dreadful crisis. What the extent of the loss to be sustained here it is impossible to say, everything, as you may well suppose, being in a dreadfully excited condition. I am wholly used up, having had no sleep since Friday night last of any value, as I was so much excited coming on that I did not sleep as usual. I will write again to-morrow.

Yours truly,

C. STETSON.

To S. P. Bishop, *Ass't cash'r.*

339 *Copy letter included in "O."*

New York, *Aug't* 31, 1857.

S. Fosdick, esq., V. pres't, &c.:

D'r Sir: I have received the resolutions of the board of trustees (thro' Mr Bishop,) desiring me to furnish as soon as possible a true and accurate statement of the condition of the agency of this co., in this city. I am fully aware of the need you have of such a document, and be assured I shall loose no time in getting it into such shape as we shall believe to be correct. It is not the work of a week or even of a month in my opinion. I may overestimate the magnitude of the task, but I do not think that I do. As yet the books, papers, and securities (the few that are left) are locked up in the safe under the custody of the sheriff. Two receivers have been appointed, and their bonds will be completed and signed this morning; this done, we can go forward with some freedom, (being rid of the sheriff,) and endeavor to ascertain where we are. Ever since Monday the whole time has been occupied in conversations and explanations with the many parties who have come here from all over the country, in some way; also many anxious stockholders in person as well as by letter. Of course this could not be
340 evaded or turned aside. It is wholly impossible for you to form any idea of the awful confusion and utter dismay which hangs over our interests and concerns here.

I feel quite disturbed in finding that your papers report nothing as having been received from me in the way of a statement. While this is true that no statement has been furnished, I want them also to say that I find it impossible to make an accurate statement, and it is folly to present one that we have doubts about. I have no time to add as Mr. Lord is waiting and can wait no longer. Will write again soon.

Y'rs respec'y,

C. STETSON.

Copy of letter included in "O."

OFFICE OF THE OHIO LIFE INSURANCE AND TRUST COMPANY,
New York, Sept. 5, 1857.

S. Fosdick, esq., Cincinnati:

D'R SIR: To-day I have rec'd your telegraphic urging us to take the proper steps to secure our legal rights in reference to the disposal of securities pledged by Mr. Ludlow. We were at the moment of its receipts engaged in this very thing. Everything will be done here to prevent
341 any sacrifice of collaterals. You, of course, are very anxious to know more of the condition of things here; we make some little progress every day, but we have an awful task before us, and if we are able to present a true and reliable statement of affairs to you in sixty days I shall be content. Was it now ready I should be more than happy even at the loss of half of our capital. Shall address you again on Monday.

Yours truly,

C. STETSON.

Copy of letter included in "O."

[This letter, altho' dated at New Orleans, is postmarked at New York.]

NEW ORLEANS, 18 *Sept.*, 1857.

S. Fosd'ck, esq., V. pres't, &c.:

DEAR SIR: I wrote you yesterday by Mr. Scarborough, who left last evening and will be with you ere this comes to hand. I have a letter from Mr. Matthews to-day, by which I learn that the board were contemplating a general assignment, and that the papers were being made out. It is well enough to have them in preparation, but this step should not be taken so long as it can be avoided. Keep the thing in your own hands as long as possible. In the event of an assignment being made, I would advise and recommend that Mr. Fred. A Lane be the one resident here; he is a clear cool-headed man, and is already familiar with much of business in
342 this office.

Yours truly, C. STETSON.

I concur in the foregoing. I think that with good negotiation and prudent management we may get out of pressing difficulties, especially if we get the Cleveland and P. ac. adjusted, and get possession of the bonds. They are now at work on the ac.

W. HOOPER.

Copy of letter included in "O."

OFFICE OF THE OHIO LIFE INSURANCE AND TRUST CO.,
New York, Sept. 24, 1857.

S. P. Bishop, ass't cash'r:

DEAR SIR: I believe Mr. Scarborough advised you when here that the indebtedness of this company to J. Carter & Co, was reduced ten thousand dollars; after the account current was made up here and verified by Mr. A. Keran and myself, this payment would leave due to Mess. Carter $91,246 02 instead of 107,246 02. Should D. Beckel present any claim for moneys due either of his banks, say the Dayton or the Miami Valley, don't regard them at all, as we think there has been an error here in settlement of some former accounts.

Yours truly,

C. STETSON.

343 D'R SIR: There is one thing that has come into my thoughts lately, and that is that some arrangements should be made if possible with holders of life insurance policies of long standing, such as that of Judge Wright, Mrs. Ryland, and I have no doubt many others of same character. If there is anything left of the wreck these parties should be fairly dealt with. Bring this to the eye of the board as soon as received.

Sept. 24, 1857.

Y'rs,

C. STETSON.

Ex. P.

OHIO LIFE INS. AND TRUST CO.,
Cincinnati, May 15, 1856.

E. Ludlow, esq., cash'r, Cincinnati:

D'R SIR: I have now to own the rec't of yours of the 7th inst., together with the report of the trustees residing in New York, setting forth the condition, &c., of the agency in said city. I have presented this report to the board of trustees here, and they have this day deliberated upon the same and passed the following resolutions. A report from the office in New York exhibiting the situation in that office, accompanied with the views of the trustees resident there, was submitted to and considered by this board, when the following was unanimously adopted.

344 *Resolved*, That the trustees here coincide with the views of the New York trustees, and in their future action will take pleasure in conforming to the suggestions and recommendations contained in said report. I trust that the bills receiv'l we have with you and soon maturing, together with the credit you may be able to arrange for on London, may afford you speedy and entire relief from your present embarrassments.

Y'rs truly,

C. STETSON, *Pres't.*

R.

[Confidential.]

CINCINNATI, 12 *Nov.*, 1855.

E. Ludlow, esq.:

D'R SIR: I feel that it is my duty to say to you that complaints are frequently made here in reference to your not rendering acc't current when called for by the various banks depositing with you. Those who have complained have not done it in any captious spirit; on the contrary, it has been done with reluctance. It has been bro't up at the meeting of the board of control at Columbus, and unless there is an early correction it might lead to some of the banks seeking other depositories in y'r city.

If you have not force enough in the office to prepare all these ac's promptly when called for, more must be found. I hope you will give the sub-

345 ject your early and prompt attention.

Truly y'rs,

C. STETSON.

S.

OHIO LIFE INS. AND TRUST CO.,
Cincin., Ap'l 18, 1856.

E. Ludlow, esq., cash'r, New York:

D'R SIR: I returned home a few days since from Chicago, and found here

your favors of the 5th, two of the 9th, and one of the 14th inst.; and to-day I am in rec't of y'rs of the 13th and 16th, also Mr. Coe's note to you.

I am unable to-day to say anything of the price at which the Ham. County bonds could be disposed of; will learn and advise you soon. I am pleased to learn that you have got your bank acc'ts in such good shape. Where parties do not report upon the acc't rendered them, it certainly is fair to infer that they are correct. In Mr. Cash Young's letter to Mr. Bishop rec'd to-day, he says he has *rec'd to-day, he says he has* "rec'd your acc. current and that it is all right." You have an account with Messrs. Spears, Carr & Co., of Delphi, Indi. I wish to inform you that they have written to a friend in this city, who has called upon me, making complaint of want of promptness in answering rec't of remittances, errors in stating
346 amount, &c., and that they feared they should be compelled to find another correspondent in y'r city, a thing they were averse to doing. Will you give this case immediate attention?

Due notice is taken of the stringency of your money market. We shall do all in our power to lighten your burden. We must arrange upon some plan of transmitting news by telegraph. It never will answer to be sending daily here such messages as you have sent for the past three days; it is quite too public thus to lay our condition before the world.

Y'rs truly,

C. STETSON, *Pres't.*

T.

OHIO LIFE INS. AND TRUST CO.,
Cincinnati, October 31, 1855.

N. L. Wilson, esq., pres't M. & Cin. RR. Co.:

D'R SIR: I have presented to the board of trustees of this comp'y your application for a loan of 100 M dollars, to be furnished in New York at an interest of seven per centum per annum, said loan to be payable on the call of the cashier of this co. in New York, provided the wants of the company should require it. The board here agree to this arrangement, the New York trustees concurring, on condition that not more than one third
347 part of the sum above named shall be called for by you during each of the months of Dec'r, Jan'y, and July next, commencing 15th Dec'r. The matter of security to be determined and fixed by the cashier and trustees in New York.

In the hope that this will answer your wishes, I remain yours,

C. STETSON, *Pres't.*

U.

OHIO LIFE INS. AND T. CO., *Cincin., Nov.* 1, 1855.

E. Ludlow, esq., cash'r, New York:

D'R SIR: There appears to be some difficulty respecting the true condition of accts between your office and D. Bechel, of Dayton.

By your statement rendered to this office, on the 16th Oct. past,
D. B. stands debited in the sum of..... $3, 361 25
Since then you have, as I learn, credited his acc't with two items,
$1, 252 68 and 1, 020 63..... ..... 2, 273 31

Bal..... ..... $1, 087 94

Mr. B. claims that you have collected an am't of interest on some Ohio State stocks which does not appear at his credit. Is this so? Please ren-

der me an acc't whereby we can adjust and settle all matters with him. There is a balance due him here of about $750.

Pray give this early attention and oblige y'rs,

C. STETSON, *Pres't.*

348 V.

OHIO L. INS. AND T. Co., *Cincin., Nov.* 1, 1855.

E. Ludlow, esq., cash'r:

D'R SIR: I reached home in safety on Sat'y evening last, finding all well. I have been much occupied, as you may well suppose.

To-day I am in receipt of your two favors of the 29th ult. The purchase of the 60M company bonds is approved by the board. Due note is taken of your remarks respecting quotation of 81 for our stock in your place. It is well understood to be an error.

Ex. W.

6,000 tons of rails, at £8		£48, 000
6,000 do. do. 10		60, 000
Collateral in bonds at 60c		$500, 000
⅓ of whole in 12 months £30,000		$150, 000
13 months, ⅛ due, £7,500	37, 500	
14 months, ⅛ due, 7,500	37, 500	
15 months, ⅛ due, 7,500	37, 500	
16 months, ⅛ due, 7,500	37, 500	
		$150, 000

You hold at the end of 12 months against an advance of $90,000, the notes of C. & P. RR. Co. for $150,000 with their bonds, as collaterals for
349 $250,000.

The Trust co. receives a commission of 2½ per cent. on £48,000, £1,200, $6,000, and retain the whole of the profits until G. & J. pay their indebtedness to them.

350 X.

Condensed statement of the condition and business of the Ohio Life Insurance and Trust Company, ending with the seventeenth day of September, A. D. 1857.

Means of the insurance and trust department:

Debts secured by mortgage on real estate	1, 671 32
Do. stocks do.	319, 845 08
Real estate	232, 269 20
Contingent taxes	6, 420 87
Bonds of Clarke County	21, 250 00
Knox County	18, 150 00
Decatur County	8, 000 00
Dayton Township	13, 125 00
City of Dayton	13, 125 00
City of Cincinnati	13, 125 00
City of Covington	3, 200 00
Cin., Ham., and Dayton RR	164, 000 00

Bonds of Junction railroad		95,000 00
Mansfield and Sandusky RR		18,000 00
Fayette Co., Ky		4,789 47
Boyle County, Ky		3,421 06
Dayton and Western RR		17,524 47
Hillsborough and Cin. RR		23,000 00
Stock of Cin., Ham., Day. RR		20,475 00
Madison, Ind, and Penn. RR		100 00
Branch bank, at Vincennes		20,600 00
Cincinnati Fuel Company		1,200 00
Banking department		1,768,577 69

351 Means of the banking department:

Notes and bills discounted		983,759 82
Amount due from banks		161,260 82
Amount due from agencies		1,054,252 73
Funds in transitu		47,630 19
Cash, viz: bank notes	$62,133 00	
specie	25,476 99	
		87,609 99
		$5,095,132 71

Liabilities of the insurance and trust department:

Deposits under twelve months	267,465 72	
Dividends unpaid	341 00	
Micellaneous ac	34,348 86	
Suspense ac	4,534 87	

Liabilities of the banking department:

Circulation	3,280 00	
Deposits	437,194 78	
Trust department	1,796,755 24	
Amounts due to banks	81,436 45	
Bills payable	720 00	
		2,626,076 92
Excess of means over current liabilities:		2,469,055 79
Twenty years deposits interest	75,381 00	
Trust of accumulation	628 57	
Premiums insurance on life	49,184 84	
		125,194 41
		2,343,861 38
Capital stock		2,000,000 00
Excess of means over all liabilities		343,861 38

352 "Y."

No. 275. Of the concerns and business of the Ohio Life Insurance and Trust Company for the month ending with the 26th day of September, anno Domini 1857.

First. Funds under charge of committee of investigation:

Capital stock for loans on bonds and mortgages	2,000,000 00

Brought forward			$2,000,000 00
Invested in bonds and mortgages	5,164 17		
Balance	194,855 83		
		2,000,000 00	
Estimated value of the lands pledged:			
Second. Amounts of certificates of deposit now out is			301,690 44
Twenty years' deposits in trust	62,000		
Deposits under twelve months	239,690 44		
		301,690 44	
Third. Funds under charge of committee of finance:			
Trust of accumulation	500 96		
Premiums insurance on life	43,934 30		
Deposits under twelve months	239,690 44		
Deferred interest	3,710 13		
Surplus fund	168,211 16		456,046 99
Loaned on stocks and real estate	252,624 24		
Balance	203,422 75		
		456,046 99	
Fourth. Disbursed in trust department:			
Loaned on bonds and mortgages	5,164 17		
" " stocks and real estate	252,624 24		
" " bills rec'ble b'k ass., 1	721 57		
" " bills rec'ble b'k ass., 2	949 75		
Invested in real estate	48,668 76		
Contingent taxes	6,420 87		
Bonds Knox County	700		
" Decatur County	1,000		
Bonds Dayton township	2,625		
353 " city Covington	3 200		
" Cin., Ham. and Day. railroad	164,000		
Bonds Junction railroad	51,000		
" Mansfield and Sandusky RR.	18,000		
Bonds Boyle County, Ky	3,421 06		
" Hillsborough and Cin. RR.	5,000		
Stock Madison and Indianapolis RR	100		
Stock Branch Bank Vincennes	20,600		
Banking department	1,977,590 38		
		2,559,785 80	
		5,315,523 23	2,755,737 43
Forward		5,315,523 23	2,755,737 43
Fifth. Disbursed from the following funds:			
Capital stock	2,000,000 00		
Twenty year deposits in trust	62,000		
Deposits under twelve months	239,690 44		
Trust of accumulation	500 96		

Brought forward			$2,755,737 43
Premium Insurance on Life.....	43,934 30		
Deferred interest.....	3,710 13		
Surplus fund.....	168,211 16		
Miscellaneous account.....	29,391 90		
Dividends unpaid.....	341		
Suspense account.....	1,200,591		2,559,785 80
		5,315,523 23	5,315,523 23

354 Condensed statement of the condition and business of the Ohio Life Insurance and Trust Company, ending with the twenty-sixth day of September, A. D. 1857.

Means of the insurance and trust department:

Debts secured by mortgage on real estate....		6,835 49	
Do. " " stocks, &c.....		252,624 24	
Real estate.....		46,668 76	
Contingent taxes.....		6,420 87	
Bonds of Knox County.....		700	
Do. of Decatur County.....		1,000	
Do. of Dayton township.....		2,625	
Do. of city of Covington.....		3,200	
Do. of Cincinnati, Han. and Day. RR.....		164,000	
Do. of Junction RR.....		51,000	
Do. of Mansfield and Sandusky.....		18,000	
Do. of Boyle Co. Ky.....		3,421 06	
Do. of Hillsboro' and Cincinnati RR.....		5,000	
Stock of Madison and Indianapolis RR.....		100	
Do. of br. b'k at Vincennes.....		20,600	
Banking department...		1,977,590 38	

Means of the banking department:

Notes and bills discounted.....		260,359 15	
Amount due from banks.....		304,048 67	
Suspense account.....		52,949 40	
Cash, viz: bank notes.....	64,420		
specie.....	25,399 39		
		86,819 39	
New York agency.....		1,691,545 31	
			4,955,507 72

355 Liabilities of the insurance department:

Deposits under twelve months.....		239,690 44	
Dividends unpaid.....		341	
Miscellaneous account.....		29,391 90	
Suspense account.....		12,005 91	

Liabilities of the banking department:

Circulation.....		3,290	
Deposits.....		378,612 38	
Trust department.....		1,977,590 38	
Amount due to banks.....		35,519 16	
Bills payable.....		710	
			2,677,151 77

Excess of means over current liabilities.....		2,278,356 55
Twenty year deposits in trust.....	62,000	
Trust of accumulation.....	500 96	
Premiums insurance on life.....	43,934 30	
		106,435 26
		2,171,921 29
		2,000,000 00
		171,921 29

"Z."

356 OFFICE OF THE OHIO LIFE INSURANCE AND TRUST CO.,
New York, May 5, 1855.

Chas. Stetson, esq., pres't:

D'R SIR: I have the pleasure of enclosing herewith semi-monthly statement of this office.

In forwarding this, I would respectfully call your attention to some features therein exhibited. We owe in Wall st., and at the banks, for which we are subject to call or short notice, $800,000. Our total loan acc't is about $800,000. The office at Cincinnati account will be in debit, at close of business to-day, $1,150,000, entirely uncovered by any negotiable city paper, if I except about 58 M, of which one half matures within 30 days.

Dismissing the question of the comfort or personal convenience of the cashier here, the position of this office is not a safe one for the company, should any sudden turn come in our money market inducing a withdrawal of from city deposits. What have I to fall back upon? Not raw material enough, when converted, to supply Mr. Bishop with one day's rope. I trust that you will give this letter fair consideration, as I am confident that a reasonable reflection upon the position of matters here will satisfy you that I am not sounding a false alarm.

Yours very truly,

EDWIN LUDLOW, *Cashier.*

"1."

357 OHIO LIFE INS. AND TRUST CO.,
Cincin., Dec. 2, 1856.

E. Ludlow, esq., cash'r, New York:

D'R SIR: Since writing you on the 26th ulto. (to which as yet I have no answer) I have received yours of the 22d and 25th ult., with statement of y'r office concerns. The Fabian case had better be disposed of in some way. You call it a swindle. By whom was the swindle? I see by your newspapers that money is easy, and that your banks are discounting freely of short business paper. We are compelled daily to turn out the very best of 30 and 60 day bills on Boston, New York, and Philadelphia, having no means to purchase. We take them at interest off and our half per cent.; that is, all paper over 30 days—that, with interest off only. Now, as these bills when they mature will be worth half p'm, we much regret the necessity of throwing them out. Cannot you coax some of your banks to discount for you some two or three hundred thousand dollars of paper, 30 to 60 days, upon the condition of your leaving the amount to be drawn for as you may be called upon from this end. Why will not Mr. Coe give you $100,000 of his circulation to be used here. We can pay them out in such way mingled with other currency here, as will give him some good. It would be a month

358 before a portion would find its way home. We should endeavor to give it a diffused circulation in the rural districts away from this neighborhood in payment of wheat, corn, and hogs. The expense of sending it here by express will be only one dollar per thousand.

Y'rs truly,

C. STETSON, *Pres't.*

2.

OHIO LIFE INS. AND TRUST CO.,
Cincin., June 30, 1857.

E. Ludlow, esq., cash., New York:

DEAR SIR: Yours of the 27th inst. at hand this morning.

In reference to our acc't with the F. & M. Bank, in Philadelphia, we see no other cause to adopt than for us to make no drafts upon said bank further than we have funds there. By your adopting same rule all further trouble will be obviated I regret much to add that we cannot procure any exchange or coin to send you. Every source seems quite dried up. I hope you may not find it so difficult to raise funds as your telegraphs seemed to indicate.

Yr's truly,

C. STETSON, *Prest.*

359 3.

OHIO L. INS. AND TRUST CO.,
Cincin., July 6, 1857.

E. Ludlow, esq., cash'r, New York:

DEAR SIR: I rec'd in due course of mail your favor of the 29th ult. I hope you have fairly got over the heavy calls made upon you from Ohio and "all the rest of mankind." Had it not been that the finances of the State of Ohio were so completely bedevilled, we should not have interposed in behalf of the State, but I look for some benefit from it by and by. To-day I have a letter from Mr. J. B. Hasken, our trustee at Hartford, Conn., in which he says he thinks it better that the trustees of the co. should reside nearer N. York than he does, and that in consequence he resigns his trusteeship. There is now owned in Conn. some thirteen or fourteen hundred shares of our stock, and if Mr. H. should resign, some of these holders will want some other Conn. man put in. No doubt our board would prefer to have Mr. H. remain with us if he will, and I shall write him to-day to withdraw his letter of resignation and continue with us.

Yr's truly,

C. STETSON, *Prest.*

360 4.

OHIO LIFE INS. AND TRUST CO.,
Cincin., July 7, 1857.

E. Ludlow, esq., cash'r, New York:

DEAR SIR: I wrote you yesterday advising of our having declared dividend of five per centum. You were also telegraphed by Mr. Bishop to same effect. This I now confirm.

To-day I am in receipt of yours of 3d inst. Shall do all in our power to lighten your burden. You ask "is not this the season when the calls upon you are light?" In reply, I have to state that we are not blessed with any such epochs or intervals; we are pressed "to the girth" always. How can it be otherwise when we have not a bank in Cincinnati that can issue a note, and only two in the city, the aggregate cap'l of which is $100,000? I enclose statement of our condition 6th inst., and remain yours,

C. STETSON, *Prest.*

361 Worthington & Matthews, counsel, without waiving any objections to the foregoing testimony in chief, which is hereby excepted to so far as the same consists of the opinions, beliefs, impressions, and information of the witness, and not matters of his own knowledge propound on cross-examination the following questions to witness :

x 1 question. Will you examine your testimony in chief and state which answers are made on your own personal knowledge, which upon information and from what sources such information is had, which are upon your belief, which are opinions, and which are mere suspicions ?

Ans. From review of my testimony in chief, I would state that my answers to questions 1, 2, 14, 21, 23, 41, 53, 54, 60, 85, 87, 88, 89, 98, 115, 116, 117, 118, were from personal knowledge.

My answers to questions 3, 4, 5, 6, 7, 8, 9, 11, 12, 15, 17, 18, 19, 20, 24, 25, 26, 27, 28, 30, 32, 33, 34, 38, 39, 42, 43, 44, 45, 46, 48, 49, 50, 52, 56, 57, 58, 59, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 78, 79, 80, 81, 83, 84, 86, 91, 92, 93, 95, 100, 101, 102, 103, 107, 109, 110, 111, 112, 113, 114, 119, 120, 121, 122, 123, 124, are derived from the books and papers.

My answer to question 10 is in part from the books and in part from knowledge of the residence of the parties.

362 To question 16. From the books and personal knowledge that J. N. Perkins left here in November, 1838, to open said office.

To question 29. I had full belief that Ludlow was obeying the instructions given Feb'y 14, 1855, and found on page 502 of Minute Book, and given as part of my answer to question 17. As to the latter part of my answer, my knowledge is from the books.

To question 31. Opinion founded from an estimate based upon examination of the statement books.

Question 51. Shows only the home office, the New York account in that of agencies in said statement.

To questions 6 and 12. Answer is given with much hesitation and would give them only as opinions.

To question 82. For the rate of interest I did frequently refer correspondents to the New York office, and this by instruction of the president.

To question 99. I depend mainly upon memory. I have not been able to find the letter of President Andrews.

To question 13. The last payment of the $600,000 bonds was April 30, 1856.

Previous payments had been made—

Say 1854, Feb'y 18	80,000
1855, Feb'y 28	200,000
1855, June 28	88,000
1856, Jan'y 4	142,000
363 1856, Jan'y 31	6,000
	525,000
	600,000

Question 106. I am not able distinctly to trace my knowledge of the debt of Gilbert & Johnson.

x 2d question. During your connection with the company, and as its officer what act of bad faith or gross negligence upon the part of any trustee defendant in this suit has come to your knowledge ? and if any, what knowledge had his co-trustees or any of them of that act ?

Ans. I do not know of any other than may be included in my former deposition, giving the liabilities of trustees.

x 3d question. Did the board of trustees meet daily to attend to the business of the company? Please state what was their daily meetings for, and whether the board of trustees attended or not to the business laid before them by the officers of the company?

Ans. The trustees met daily for the purpose of discounting notes and bills of exchange. After discounting they attended to such other business as was presented by the officers, say president and secretary. If a
364 quorum for regular business was not present they adjourned or waited until a quorum could be convened. Four members was a quorum for discount, seven members was a quorum for other business.

x 4th question. Before the declaration of dividends, were their not reports made to the board of trustees of the condition of the company snowing the state of the profit account, and did not the trustees always direct debts considered bad charged up to profit and loss, and leave a balance to profit account after providing for the dividend? Will you give copies of the reports half yearly upon which dividends were made, the amounts charged up to profit and loss, and the balance left to profit account after the dividends in the years 1854, 1855, 1856, and 1857?

Ans. Before declaration of dividends the committee on finance made report to the board of trustees of the amount of profits from which a dividend could be made, and gave such other information of the condition of the company as was thought necessary. Copies of said reports for 1854, 1855, 1856, and 1857, say in January and July of each year, I herewith present and the same are attached hereto marked 101, 102, 103, 104, 105, 106, 107, 108. Bad debts were charged to profit and loss, and the surplus fund
365 was considered as sufficient to meet any probable loss. Exhibit 100 shows the surplus fund on hand after each of these dividends.

x 5th question. Was it not the purpose of the board of trustees in establishing the New York office to provide means to transact a bill business at the Cincinnati office, as well as for other purposes?

Ans. The New York office was opened with the view of centering with it the accounts of the western banks with the use of portion of the funds from said accounts, the means for the purchase of eastern bills of produce was increased, and the capital of our city increased.

x 6th question. Were not the bills bought at the Cincinnati office on New York and other eastern points, and on New Orleans and other southern points, transmitted to the New York office, and did these bills so sent forward appear to the credit of the Cincinnati office until paid, and did not these bills in the New York office for collection exceed at all times the credits of the New York office against the Cincinnati office, an despecially at the date of the credits referred to in your testimony in chief? If otherwise in any respect explain fully.

366 Answer The bills purchased at the home office in Cincinnati on New York and other eastern places were sent to the New York office. Those upon New Orleans and Mobile were sent to New Orleans. These eastern bills did not appear in the N. York account till paid. The amount of these bills, with the other securities of the home office held at the New York office, say 200 bonds of the Cin., Ham. and Dayton RR., $1,000 $200,000, and 30 bonds of the Mansfield and Newark RR., $1,000 $30,000, exceeded the amount due to the New York office at the rates referred to in my testimony in chief, except on the 1st of July, 1857. The amount of bills at the respective dates of the credits in my testimony in chief are as follows:

	Bills.	Bonds.	
1857. January 1.....	$791,462 13	$230,000	$1.021,462 13
February 1.....	860,100 40	230,000	1,090,110 40
March 16.....	873,544 19	230,000	1,103,544 19
May 1.....	924,061 12	230,000	1,154,061 12
June 1.....	830,979 25	230,000	1,060,979 25
July 1.....	767,643 34	230,000	997,643 34

I do not find statement of the bills on hand, April 16 and August 1st.

On the 14th of April they were.....	$964,872 46
On the 11th of August they were.....	657,990 67
On the 18th of August they were.....	687,208 41
367 On the 1st of July the N. Y. credit was.....	1,020,537 34
The bills were $767,643 34, the bonds were $230,000.	997,643 34

x 7th question. What was the condition of the company as reported to the board of trustees when the dividend of July, 1857, was declared, and what was there in the condition of the company as known at the home office after that, prior to the suspension, in Aug., 1857, to excite alarm or to attract attention? Explain fully as to the reports made at the time of the July dividend in 1857 to the board of trustees, and the profit account after dividend, and what was charged up for bad debts, if anything. State the suspended debt, and explain it.

Answer. The condition of the company, July 1st, 1857, as set forth in the report of the committee on finance, prior to dividend of July, 1857, referring to which as part of Exhibit 108, hereto attached, shows a surplus of $200,657 05, after the July dividend, which was considered good, and with our usual profits of a current six months business would enable us, in future, to declare semi-annual dividends of 5 per cent. cash. The business of the six months after these deductions adding to the surplus fund $25,711 64.

368 The entire suspended debt of the trust department had been charged out, and that of the banking department reduced to $62,610 51. Before assignment there had been paid of this $27,330 57, and the collaterals had been taken in settlement of $11,310. The suspended debt was composed of bills previously discounted; not being paid at maturity, were charged to this account and there retained until considered valueless, and then charged to profit and loss.

x 8th question. Did not the company make yearly reports to the supreme court, and were not these reports from time to time referred to masters appointed by the court, and did not these masters make examinations into the condition of the company to test the accuracy of these reports? Was not such report and examination made in 1854 and also in 1856? Have you those reports? and if yea, will you identify them and make them part of your deposition, or rather that for 1856?

Answer. The company made annual report to the supreme court of the State of Ohio, the year closing with the last business day in the month

369 of October. For the examination of the reports sent to the court, commissioners were appointed by the court who, at their convenience, made examination. Reports were made in the years 1854 and 1856, copies of which are now presented as part of my answer, marked, that of 1854, 109, that of 1856, 110.

x 9th question. Was not the New York agency and ts management known to the State functionaries and to the supreme court, and to the masters sent to examine into the affairs of the company, and did not the State of Ohio keep its stock agency in New York at the office of the company in New York, and did not the State officers have dealings with said agency as far back as 1839, and from that time on till the suspension? State the particulars of this connection with the State of Ohio.

Answer. The New York agency was known to the supreme court through the reports of said master commissioner as I find reference thereto in the report of Reuben Wood, in the year 1849, upon the statement of the company in 1848, extracts from which report I herewith present, marked Exhibit 111, attached hereto; also in the report of Mr. Burchard, for the
370 year 1849, extracts from which is herewith presented, marked Exhibit 112, attached hereto; also in the statement of T. L. Jewett, for the year 1850, extract from which is herewith presented, marked Exhibit 113, and hereto attached. Also in the report of E. Hayward, for the statement of 1854, extract from which is herewith, marked Exhibit 114. The connection of the State officers was reported by the master for 1855, an extract of which is herewith, marked Exhibit 115. The State officers subsequent to said report, say, in the spring of 1856, and until the suspension of the company, had an office or desk with the company, for their transfer agent, and accounts were kept with the New York office by the commissioners of the sinking fund, the auditor and treasurer of the State.

x 10 question. What knowledge had the Cincinnati office of the transactions between James Lee & Co., and the New York cashier? Was not the letter given by Mr. Stetson, and referred to by you in your testimony in chief, under the supposition that the said cashier was acting within his written instructions, or was it to cover transactions unauthorized thereby? and if the latter, what knowledge had the board of trustees of such unauthorized transactions? What do you find on the minutes of the board of trustees in relation thereto?

371 Answer. I am not aware that the home office had knowledge of James Lee & Co., other than as a depositor with the New York office. From conversation with Mr. Stetson I learned that the son of Mr. James Lee, at his visit to Cincinnati in the fall of 1856, had stated that his father was the agent of Scotch banks, and frequently had means which he could place with Ludlow could he know that all was right, and that if he had a line from Mr. Stetson to that effect, which he could seal up and lay aside in his vault without telling Ludlow he had such a letter, would at times have a large amount to his credit with Ludlow. The letter was given as a recognition of Ludlow as the officer of the company, and his authorized acts as cashier, and not to authorize any transactions aside from his usual duty. Now, such within my knowledge being known to the home office, I find nothing upon the minutes of the trustees relating thereto. Reference to the letter to James Lee & Co., referred to in my deposition will show at the bottom certain initial letters which would indirectly indicate that the persons known by said initial letters were present at the reading of said letter by Mr. Stetson. The initials are as follows: J. C. W, C. G. E., S. C. P., S. J. B., S. B. K., G. T. S., A. M. T., S. F.

372 x 11th question. What knowledge had the Cincinnati office of the transactions between its New York cashier and the complainants, and what facts were laid before the board of trustees of their transactions, and in what way were they carried on under the authority of the board of trustees? Were they not entirely without the knowledge or authority of the board of trustees? What do you find on the minutes of the board of trustees in relation thereto?

Answer. The name of the complainants Bell & Grant appear upon the semi-monthly statements sent from the New York office as far back as August, 1856, occasionally as debtors, generally as creditors. The account appears as "Bell & Grant, London." The volume of weekly statements into which was copied the semi-monthly statements of the New York office was kept upon the table in the president's room, around which the trustees

assembled for business. No other fact in regard to the existence of transactions with said Bell & Grant was made known to the trustees within my knowledge, nor do I know of any authority from the minutes for any. None is found upon the minute book, nor do I find their names mentioned thereon.

373 x 12th question. Did not the trustees proceed cautiously after the suspension under the advice of counsel, and did they not believe up to the time of the assignment the company was solvent? What was your belief as to the solvency of the company up to the time of the assignment?

Answer. The solicitors of the company, Worthington & Matthews, were frequently present at the meetings of the trustees after the suspension, and were always consulted upon the various questions which would arise in the then condition of the company. I am not able to give the opinion of the trustees as to solvendy up to the time of assignment other than as set forth in the preamble and resolutions of the 15th of September, 1857, which are found in Exhibit 116, (part of Exhibit H.) My own belief at the time of assignment from the knowledge I then possessed, was, that the company would pay all liabilities exclusive of the capital stock, and that the stockholders would have 40 per cent. of their stock.

x 13th question. Was not the assignment ordered in consequence of the attachments and suits against the company, and from the embarrass-

374 ments, *and from the embarrassments* induced from these causes, and not from any supposed insolvency of the company.

Answer. Many of the creditors had commenced suits for the amounts due them, judgments had been obtained in many cases, and the time for issue of execution was near. Attachments had been laid upon the means in many places without the State. To afford protection to such of our creditors as abstained from these methods of embarrassing settlements and give an equal facility of arranging their claims was a chief cause of assignment and not a supposed insolvency.

x 14th question. Was not the assignment withheld under the hope and belief that the company would be able to compass its embarrassments, and that it would be best to wind it up under its corporate organization?

Answer. The reasons for withholding the assignment were that settlement could be more favorably adjusted by those familiar with the former business of the company.

x 15th question. What knowledge or information had the trustees in Cincinnati of the operations of the New York office not in accordance with the instructions given to that office?

375 Answer. I am not aware that the trustees in Cincinnati had knowledge of any operations of the New York office not in accordance with the instructions given to that office. Members of the board were frequently in New York, and I have often heard them speak of their being in the office, and never heard from them any remarks but that all was correct.

x 16th question. What was there in the report of the New York cashier calculated to awaken suspicion or to alarm the Cincinnati office prior to the telegraph summoning Mr. Stetson to New York, in August, 1857.

Answer. These reports from the New York office did not point out any cause for alarm as understood by the home office.

x 17th question. In your answer to the 8th question in chief you state the balance of capital, after deducting $1,259,118 15-10), was used in the general business of the company. Explain what you mean by this general business.

Answer. The trust department did not make any payments except by checks upon the banking department. All means received by the trust department, whether from payment of its bonds and mortgages or any
376 other source, were deposited with the banking department to the credit of the trust department, and, as above stated, drawn from banking department by check. In this way I regarded the payments made as merged in the general business.

x 18th question. State what was the amount of the company's investment in real estate on 24th Aug., 1857, exclusive of the $1,259, 118 15 mentioned in your answer to question 7 in chief and include cost of banking-house, railroad bonds, and real estate, and county, city, and township bonds.

Answer. By reference to Exhibit "I" part of my answer to question 7 in chief, the following sums will be found :

Debts secured by stocks and real estate	$1, 036, 836 32
Real estate	243, 605 20
Bonds of Clark County	21, 250 00
Knox County	18, 150 00
Decatur	8, 000 00
Dayton Township	13, 125 00
city of Dayton	29, 100 00
city of Cincinnati	900 00
city of Covington	3, 200 00
Cin., Ham. & Dayton RR. Co	164, 000 00
Junction Railroad Co.	125, 000 00
Mansfield and Sandusky RR. Co.	18, 000 00
Fayette Co., Ky.	4, 789 47
Boyle Co., Ky.	3, 421 06
377 Dayton and Western RR. Co	17, 524 47
Hills. andCin. RR. Co	23, 000 00
Aggregate	$1, 729, 901 52

The cost of the banking-house is included in the item real estate ($243,605 20.) The amount secured by real estate in the item "debts secured by stocks and real estate, $1,036,836 32," I am not able to designate.

x 19th question. Had you any charge or supervision over the trust department, and are you familiar with the books and entries in that department so as to explain them satisfactorily to yourself?

Answer. I had no charge or supervision of the trust department, and was not entirely familiar with the books of that department. During the progress of thisdeposition I have referred to them more than ever before. I believe I have a general knowledge of them, but cannot, to my own satisfaction fully explain them.

x 20th question. What reliance, if any, was reposed by the board of trustees in Cincinnati in the trustees resident or doing business in New York in the supervision of the New York agency by usage or otherwise?

Answer. They had full reliance upon their supervision, as questions
378 involving the interests of the New York office, if submitted to the home office, were referred to the better judgment of the New York trustees.

x 21st question. Examine the minutes of the board of trustees of 23d January, 1856, and give *and give* the vote upon the resolution which you have embraced in your answer to question 107 in chief.

Answer. From examination of the minutes, January 23, 1856, I find the vote thus recorded :

"The yeas and nays having been requested on the foregoing resolution, there were six yeas and three nays. Those who voted in the affirmative were Mess. Fosdick, J. C. Wright, Dietrich, G. J. Stedman, Keys, and Lucky. Those who voted in the negative were Mess. N. Wright, Enyart, Broadwell."

x 22nd question. Please examine and state when the present defendants, who are trustees of said company, became such.

Answer. Charles Stetson was elected Sept. 30, 1840; re-elected Sept. 30, 1850. Samuel Fosdick was re-elected Sept. 30, 1844; 2nd re-election, Sept. 30, 1854. A. M. Taylor was elected Sept. 30, 1846; re-elected Sept. 30, 1856. J. C. Wright was elected Sept. 30, 1846; re-elected Sept. 30, 1856. S.
379 C. Parkhurst was elected Sept. 30, 1852. S. J. Broadwell was elected Sept. 30, 1852. C. Dietrich was elected Sept. 30, 1844; re-elected Sept. 30, 1854. Geo. Luckey was elected Sept. 30, 1834; re-elected Sept. 30, 1844; 2nd re-election, Sept. 30, 1854. Geo. Crawford was elected April 21, 1854. C. G. Enyart was elected April 21, 1854. S. B. Keys was elected April 21, 1854. Nathaniel Wright was elected January 18, 1853. Samuel Forrer was elected Sept. 30, 1834; Samuel Forrer was re-elected Sept. 30, 1844; 2nd re-election, Sept. 30, 1854.

The first election of S. Fosdick I have not been able to find a record of. I find his name as early as Oct. 1, 1836, as being present as one of the trustees at the "stated yearly meeting" held at that date.

x 23d question. Who was the registrar of the company? when appointed? what were his duties? and where? Give the resolutions in relation to his office.

Answer. Under date of March 20, 1856, in the minute-book of the trustees, I find the following: "On motion it was resolved that a registrar be appointed in the city of New York, whose duty it shall be to countersign all certificates of stock of this company which may be issued at the transfer
380 office in New York by the cashier of the company after this date, said register to keep in his possession a book in which all such certificates shall be recorded.

"*Resolved*, That Mr. G. S. Coe be appointed registrar of this company in New York, for the purpose above set forth.

"*Resolved*, That the above be inserted one week in two commercial papers in the city of New York."

From the foregoing it appears that George S. Coe was registrar; that he was appointed March 20, 1856; that his duty was to countersign (after said date) all certificates of the stock of the company issued by the cashier of the company in New York, (where he, the registrar, resided,) and that he should record the same in a book kept by him for that purpose.

x 24th question. What does the loan book or ledger, or either, or both of them in New York show the loans to be on 22d April, 1857? What on 1st April, 1857? What in May, say about 15th? and what 24th August, 1857? and whether loans taken off the books between 1st and 22d April, 1857, do not reappear on the book after 23d April, 1857, and now appear there in whole or in part, or how?

381 Answer. The ledger shows the loans to amount on April, 22, 1857, to $497,977 62; April 1, 1857, to $1,069,448 30; May 15, 1857, to $646,040 44; August 24, 1857, to $835,153 50. From an examination of the loan book and the ledgers I find the loans were reduced from April 1st to 22d $571,470 68, upon the right hand of the pages upon the loan book opposite the amount of the loans is marked paid, April 1, and other dates in April, including the 22d. Some of the accounts thus paid appear in the accounts as they were rendered on the 24th of August, 1857, to the respective parties, and were disputed by the parties to whom thus charged, and subse-

quent investigation proves them to be incorrect charges. I would here instance: Springfield Bank, $10,031 86; Champaign Co. B'k, $3,439 43; Indianapolis Br. B'k, $4,210 06; Ross Co. Bank, $7,000; Sanford & Co., 3,500. In these last two the securities for the loan could not be found. Some of the loans appear, April 23, say Wheeler, Bellows & Co.,
382 $12,000; J. J. Anderson & Co., $9,315 37; J. P. G. Foster having paid April 21, $17,000, has a new loan, April 25, $15,500. The same is disputed.

x 25th question. Did not the board of trustees in Cincinnati send committees at various times to examine into the New York office, and the propriety of continuing that office? and was not the board induced from such examinations to continue the said agency?

Answer. Committees were sent to New York to examine the N. Y. office. The reports of said committees may be found under date of July 12th, 1843, as per Exhibit 117, hereto attached; also October 28, 1848, as per Exhibit 118, hereto attached, and I believe examinations were made by the president upon each change of the cashier in New York. The agency was continued after these examinations. How far said examinations influenced such continuance I cannot say.

x 26th question. Was not a majority of the stock taken east, and always held east? And did not the stockholders favor the continuance of the New York office after its establishment? State whether the stockholders did not after the settlement of the tax question vote not to wind up, but to continue the company, and when it was. State also whether the trustees had
383 not directed a call of the capital investments in 1852, or about that time, in reference to winding up. Examine their minutes, and give us the particulars. State also what induced the call, and when were the tax difficulties settled, and how.

Answer. Majority of the stock was always held by residents at the east in other places than the State of Ohio. The following is an extract from the minutes of a meeting of the stockholders Sept. 28, 1854, after the settlement of the tax question. (See Exhibit 119, hereto attached) Under resolution of May 19, 1851, notice was given in April or May, 1852, to those indebted to the company under the class "bonds and mortgages," that payment would be required at the expiration of two years from service of notice. A copy of said resolution is hereto attached as Exhibit 120. This notice was given in consequence of the onerous taxes upon the company by the State. The tax question was settled on July 15, 1854, by notice to the auditor of state, a copy of which is hereto attached marked "Exhibit 121," and the payment of taxes before disputed.

x 27th question. Will you state the amount of assets in the Cin-
384 cinnati office on the day of the suspension, real and personal, in the trust and banking departments, exclusive of the assets of that office in the New York office? State also the amount of liabilities of the Cincinnati office in both departments, exclusive of the liabilities to the New York office, and life policies of insurance. State also the amount of the assets of the Cincinnati office in the New York office in bills, notes, stocks, &c., and its liabilities to the New York office.

Answer. The assets of the Cincinnati office, real and personal, in the trust and banking departments, exclusive of the assets of Cincinnati office in the New York office, was, as by the statement of the company August 17, 1857, that being the last one prior to the suspension, were $4,431,328 11; the liabilities of the Cincinnati office in both departments, exclusive of the liabilities to New York office, were $2,364,060 75; the assets of the Cincinnati office in the New York office in bills and bonds was $869,208 41; the liabilities to N. Y. office by the Cincinnati office were $652,895 26.

x 28th question. State also the amount of assets in the Cincinnati office at the time of the assignment, exclusive of its assets in the New York
385 office. State also the liabilities of the Cincinnati office at the time of the assignment, exclusive of its liabilities to the New York office.

Answer. The amount of assets of the Cincinnati office at the time of the assignment, exclusive of its assets in the New York office, was $1,104,372 03; the liabilities of the Cincinnati office at the time of assignment, exclusive of liabilities to the New York office, said office now being debtor to the Cincinnati office, was $805,996 05.

x 29th question. State the amount of liabilities paid by the Cincinnati office due by it at Cincinnati, and due at the New York office. State also how far the assets of the Cincinnati office held by the New York office were used for this purpose.

Answer. There was paid by the Cincinnati office, liabilities of said office $2,210,959 96
Liabilities of said office to the New York office 652,895 26

2,863,855 22

In payment of the above the assets of the Cincinnati office held by the New York office then was used $687,208 40.

386 x 30th question. State what was paid by the Cincinnati office on the liabilities of the New York office at the time of the assignment, and the assets of the Cincinnati office then in the hands of the New York office.

Answer. The Cincinnati office at the date of assignment had paid of the liabilities of the New York office $1,691,545 31, and the assets of the Cincinnati office then in hands of the N. Y. office, besides numerous attachments upon our assets out of this State by the New York creditors, 182,000.

x 31st question. State what were the liabilities of the Cincinnati office at the time of the suspension, and what were the liabilities of the New York office. State also what were the assets of each office at that time, and about what percentage will be realized from each in your opinion.

Answer. The liabilities of the Cincinnati office at the date of August 17, 1854, this being the date of the last general statement, were $3,016,956 01; of the New York office, $3,199,128 80. The assets of the Cin. office, $5,300,536 52; do. N. Y. $3,093,774 55. From the best opinion I can
387 form the assets of the home department would have paid the liabilities to the public and to the stockholders, with a small surplus fund to the New York office. The New York assets represented a value of about $3,093,774 55, but its liabilities were increased from an improper use of collection paper, and other securities of its correspondents to an amount exceeding the above represented value, so that I am in doubt what value, if any, can be stated.

x 32d question. In the event the New York office could have paid its liabilities, what would the Cincinnati office have had for stock after paying its liabilities? Or if the New York office can return to the Cincinnati office what it has paid and will have to pay on its account, what will the Cincinnati office have for its stock after paying all its liabilities?

Answer. Had the N. Y. office paid its liabilities the Cincinnati office would have had for the stockholders $2,171,921 29.

33d question. Will you please to state when Mr. Ludlow was appointed cashier, and under what circumstances and under what recommendations, if any, and make copies thereof parts of your deposition? Please state
388 what had been his prior connection with the company, and in what estimation he was held by the managers of the New York office.

Answer. E. Ludlow was appointed cashier Feb'y 14, 1855, the former cashier, C. W. Rockwell, having resigned. Ludlow had been connected with the office almost from its establishment. At the time of the appointment of C. W. Rockwell as cashier, Dec. 20, 1852, he was, for reasons as stated in letters of C. Stetson, Dec. 6, 1852 and Dec. 15, 1852, copies of which are hereto attached marked Exhibits 122 and 123, appointed ass't cashier for New York. The same feeling of friendship existing upon the resignation of C. W. Rockwell, he was appointed cashier. Mr. Ludlow had served in the office with Messrs. Perkins, Vermilye, Coe, and Rockwell, and I never heard of any complaints from them in relation to his official duties.

x 34th question. When did the president last examine into the condition of the New York office prior to the suspension, and what report, if any, did he make of its condition?

Answer. The last report of the N. Y. office that I find by Mr. Stetson, is under date of April 2, 1855, a copy of which is hereto attached marked Exhibit 124

389 35th question. In your answers above as to the assets and liabilities of the company at Cincinnati and New York, do you include the collection paper? Do the reports of the cashier at New York show the collection paper in that office from time to time?

Answer. My answers as to the assets and liabilities of the company at Cincinnati and New York does not include the collection paper. Neither do the reports from the N. Y. office specify the collection paper held by said office.

x 36th question. At the Cincinnati office what became of the collection paper you had at the time of the suspension; did you return it or did you keep it as assets?

Answer. The collection paper held at the Cincinnati office at the time of suspension was not held as assets. Notice was given in the public papers of this city the morning after suspension, that the collection paper was placed with Groesbeck & Co., and all the collection paper of each day as it became due was transferred to said banking firm until otherwise ordered by those who owned the same.

x 37th question, What became of the collection paper in New York? Was it on hand at the time of the suspension and returned, or had it
390 been disposed of by the creditors and how, and to what amount?

Answer. Of the collection paper sent by correspondents to the New York office, there was found in the office, and the same taken possession of by the sheriff of New York, $145,014 96. The other collection paper payable in the city of New York, to the amount of $1,269,975, had been pledged by the cashier for loans obtained from various banks and bankers in New York.

x 38th question. What knowledge had the trustees in Cincinnati of this use of the collection paper by him, and under what authority did he so use it?

Answer. The trustees at Cincinnati had no knowledge of this use made of the collection paper, and no authority was given to use said collection paper.

x 39th question. Did not that cashier in like manner dispose of collaterals held by him and securities deposited with him for safe-keeping, including those of the company without the knowledge of the trustees to large amounts? And if you know to what amounts please state.

391 Answer. Collaterals to loans and special deposits of bonds had been used as collaterals to loans made by Ludlow, and otherwise disposed of without the knowledge of the trustees. I would here instance as deposited for safe-keeping and collaterals 60 bonds of the Little Miami RR. Co., deposited by said co.; about 300 bonds of the Cin., Ham. and Dayton

RR. Co., deposited by an association owning said bonds, deposited by Mr. C. J. Stedman, one of said association. The cashier, E. Ludlow, being one of said association, desired a right to use the said bonds. This was denied by C. J. Stedman, who had deposited the bonds. 29 bonds of the State of Virginia, deposited by M. and M. B'k, Wheeling; 4 bonds of State of Louisiana, deposited by Sandford & Co., as collaterals to loan of $3,500, 7 bonds of Virginia, deposited by Ross Co. B'k as collateral to loan; the bonds belonging to the company, say 200 of Cin., Ham. & Dayton RR. Co., and 30 bonds of the Mansfield and Sandusky RR. had been pledged also as collaterals for loans.

x 40th ques. Did not that cashier break open boxes deposited with him for safe-keeping, and take out the securities and dispose of them to large amounts without the knowledge of the parties? Please state how
392 this was.

Answer. In my answer to question 39 I made mention of about 300 bonds belonging to an association. A portion of these bonds were in a tin box, deposited for safe-keeping in the vault of the New York office, and the key kept by C. J. Stedman, who made the deposit. After the suspension these bonds were found pledged as collaterals to loans made by E. Ludlow, cashier. The box containing said bonds had apparently been forced open. The bonds were used without the consent or knowledge of C. J. Stedman or of the trustees.

x 41st question. Can you explain in what way the trustees could have guarded the company against such conduct in an officer so recommended and so trusted without the least knowledge of his propensities and acts?

Answer. The trustees of the home office, having full confidence in the recommendations and opinions expressed at the time of the appointment of E. Ludlow as cashier as to his capability and integrity, and that the instructions given him would be faithfully discharged, could not more effectually guard the conduct of the officer.

393 x 42d question. Was there any change in the mode and manner of conducting the business of the company after 1850, less secure and protective than in and before that year, and if any change what was it?

Answer. I know of no change in the mode of conducting the business of the home office after the year 1850, to make it less secure. A comparison of the instructions to E. Ludlow, copies of which are hereto attached marked Exhibit 125, and those given to W. A. Vermilye, Geo. S. Coe, and C. W. Rockwell, copies of which are hereto attached, marked Exhibit 126, will show a wish to make the business more secure.

x 43d question. You have spoken of the Gonve failure in your testimony in chief; when was that? Was it not with the New York office without the knowledge of the Cincinnati office, and were not changes made to guard against like misfortunes thereafter.

Answer. The loss by A. A. Gonve & Nephew, of London, was caused by the endorsement of the cashier of the office in New York upon foreign bills upon said firm and the return of said bills under protest for nonpayment, the same having been done without the knowledge of the trustees or officers of the home office. The instructions to Mr. Vermilye, cashier, in Oct., 1847, a copy of which is herewith filed, marked Exhibit 127, will show a
394 change in reference to his future course with bills of exchange.

x 44th question. Were not the Gonve loans charged up to profit and loss? and if yea, when? and did not what was realized from that loss come into profit account after that?

Answer. The loss by A. A. Gonve & Nephew, $437,115 20, was charged to profit and loss between Oct. 25, 1848, and Oct. 31, 1849. Prior to suspension nothing had been realized on account of said loss.

x 45th question. In making up the state of the company's accounts prior to the July dividend, 1857, what value, if any, was placed upon the claims of the company against the Merchants' Insurance and Trust Company of Nashville and its stockholders, growing out of the Gonve loss? What has been realized from it since, and does that increase your estimate so much?

Answer. In making up the statement for the July dividend of 1857, and showing a surplus after dividend of five per cent. of $200,657 05, no value was placed upon the claim of the company against the Merchants' Insurance and Trust Company of Nashville or its stockholders.

x 46th question. When you settled with the State Bank of Ohio and others was it for their collection paper or only for their admitted cash balances at Cincinnati and in New York?

395 Answer. The settlement with the State Bank of Ohio and other bankers was for their cash balances, as shown by their own books, and was not for their collection paper.

x 47th question. Were not these settlements made in good faith upon the part of the trustees and banks, believing that their collection paper, to a large extent misused by the New York cashier, could be reclaimed and the company could pay all its honest debts dollar for dollar?

Answer. The settlement was made in good faith by the trustees and in the full belief that the collection paper of the correspondents of the New York office could be reclaimed and that the company had means to pay all honest claims.

x 48th question. Did you spend any time in New York after the assignment, acting under the assignees in attending to the affairs of the company? and if yea, how did you find its affairs, and books, and accounts, and how far did they correspond with the condition of its affairs as reported to the Cincinnati office, and how far did they correspond with facts? Did you not find both books and reports false and disputed in many instances? Were not many accounts pure fictions or falacious and disputed in many particulars, and could you find anything to sustain them?

396 Answer. I was in New York from about the 25th of November, 1857, to about the 23d of January, 1858, acting as clerk for the assignees, Mr. S. J. Broadwell, chairman of the assignee, also being there during my stay. Mr. Stetson, the president of the company, had been in the city from the time of the suspension until the date of my visit. During his stay most of the credit accounts had been examined, and from the examination I made of the books after their adjustment I learned that great discrepancies and differences had been found from the statement as made Aug't 16, 1857. I would instance of such differences the accounts of Baker & Co., stated as $144,105 82, was found to be $312,380 82; Denniston, Wood & Co., stated as $129,759 88, was found to be 216,095 48; Ocean Bank, stated as 70,000, was found to be 140,000. The following accounts, stated as debtors, by their adjustment became creditors: W. Hoge & Co., debtors, $53,667 18, became creditors, $182,145 85; Bell & Grant, debtors, $119,304 59, became creditors 254,792 44; Prime & Co., debtors, 81,571 09, became creditors ab't 90,000; Strachan & Scott, debtors, 7,823 69, became creditors ab't 25,000. Many of the debtors' accounts were found to be wholly incorrect, and were assumed by E. Ludlow.

397 (Mr. E. Curwen, counsel for Nathaniel Wright, insisting on all his objections to the competency and relevancy of the foregoing testimony so far as it affects this defendant, proceeded to cross-examine.)

x 49th question. You have stated that Nathaniel Wright was elected a trustee January 18, 1853. Was this before or after the appointment of E. Ludlow as cashier in New York?

Ans. It was before his appointment. Ludlow was appointed Feb'y 14, 1855.

x 50 Q. How did N. Wright vote on the appointment of E. Ludlow for cashier?

Answer. He was not present at the time of the appointment, according to the minutes.

x 51 Q. When did Nathaniel Wright resign the office of trustee?

Ans. His resignation was tendered on the 12th day of Sept., 1857.

x 52nd ques. Can you state the manner in which the resignation of N. Wright was communicated to the board of trustees?

Ans. By letter of date Sept. 12, 1857, a copy of which is herewith filed, marked Exhibit 128.

x 53d ques. What is the meaning of the memorandum in pencil at
398 the foot of that letter, and in whose handwriting is it?

Ans. The meaning of the memorandum is that it was received at 4 o'clock p. m., of that date, Sept. 12, 1857. I am in doubt in my own mind whether that is the handwriting of Samuel B. Keys or J. C. Wright.

x 54 ques. Will you state whether on the 12th of Sept., 1857, there was an afternoon session of the board and whether J. C. Wright and S. B. Keys were present at that meeting?

Ans. There was a meeting on the afternoon of Sept. 12, 1857, commencing at three o'clock, and at that meeting J. C. Wright and S. B. Keys were both present, as appears from the minutes.

x 55th ques. With reference to the deafness of N. Wright will you state what, in 1857, was the extent of it, how far it prevented his participation in the discussions of the board when he was not personally spoken to; whether he was required from that cause to ask privately afterwards what was going on; and how long this deafness had continued before 1857; and whether it was known to his acquaintances generally?

Ans. In 1857 Mr. Wright could not hear distinctly ordinary con-
399 versation of the board; I have known the Pres't C. Stetson and J. C. Wright, the immediate neighbor of N. Wright at the board, upon the request of said N. Wright for explanation of the proceedings at the board, to raise their voices to a high pitch much above their ordinary tones and explain to N. Wright subjects then before the board. Mr. Wright told me in the directors' room that he could not hear ordinary conversation. This was in 1857, before his resignation, and he gave that as a reason why he did not come oftener to the meetings of the board. I was aware for seven or eight years I should think prior to 1857 of this deafness of N. Wright. I had difficulty myself in making N. Wright hear. I had at that time been acquainted with Mr. Wright over twenty years. Mr. Wright was a prominent member of the Hamilton County bar, and was generally known throughout the city, and his acquaintances were aware of his deafness.

x 56th ques. Will you state the general nature of the services which Nathaniel Wright rendered in the board of trustees, what standing committees, if any, he served upon, and whether other services were expected of him by the other members of the board beyond his advice as a lawyer upon such law questions as might incidentally arise at their meetings?

400 Answer. He was not a member of any of the standing committees to my knowledge. I am not able to answer the other branches of the question.

x 57th ques. Was N. Wright in Cincinnati at the time of the failure? If not, when did he return to the city?

Ans. Mr. Wright was not present in the city at the time of the suspension. The date of his return I am not able to state. I find him present at a meeting of the board Sept. 4, 1857, from the minutes of the board.

x 58th ques. In your deposition before Commissioner Straub you state

Nathaniel Wright was indebted to the trust department in two sums, one of $14,000 and one of $5,000. Will you state how these sums were secured?

Ans. The $5,000, I believe, was secured by trust co. and other stock, and the $14,000 by real estate mortgage.

x 59th ques. On page 12 of the same deposition you state that on August 27, 1857, you find against a credit of $14,000 "Nat. Wright" written, will you state whether these words constitute a part of the regular book entry? If not, in whose handwriting and when were the words written, and
401 so of all the tick marks which you state to follow?

Ans. It is a regular entry, made by one of our clerks for his convenience to keep track of the bills receivable as the entry classed into the bills receivable account, and the tick marks in this case indicate that the interest on that particular note had been paid.

x 60th ques. Do you not know that on the 27th day of August, 1857, the date of the entry of the credit of $14,000 above alluded to, that Nathaniel Wright was at Rye Beach, New Hampshire, and that he personally had nothing to do with the transaction, but that the note alluded to was cancelled by the procurement of his son and sons-in-law without any instructions from N. Wright, and upon their own credit and responsibility?

Ans. I don't know anything about that except that Mr. Wright was absent from the city. I did not transact the business, it was done in the trust department.

x 61st question. Do you remember Mr. Curwens purchasing for N. Wright some small drafts for travelling purposes about the time of the failure, to remit to N. Wright at Rye Beach, New Hampshire, and of his enquiry
402 of you on that day of the failure on Fourth st. whether the company would require the drafts to be protested and your reply "keep them; this matter will blow over in a day or two.

Ans. On the 24th day of August, 1857, I find three drafts purchased in the name of N. Wright of $100 each. They were drawn on Boston. I don't recollect by whom they were procured, neither do I recollect the conversation referred to. If such question had been asked me I would probably have answered it in the way suggested. These drafts were purchased in the regular course of business and prior to my knowledge of the suspension of the company.

x 62d ques. Do you remember that these drafts were afterwards claimed by N. Wright as offsetts against his indebtedness to the company, and as such allowed in settlement with him?

Ans. I only find them cancelled on our books on the 31st day of August, 1857, but by whom presented I do not know.

x 63d ques. In your deposition before Commissioner Straub you stated that N. Wright was indebted in the banking department for note at 90 days to order of N. Wright, jr., $1,500, dated June 8, 1857, and note, same
403 order, $1,000, dated July 15, 1857. You state that you derived this information from the books. Do not the books show that these two notes were discounted, and that they were discounted, not for N. Wright, but for N. Wright, jr., to whose credit the proceeds were carried?

Ans. They were discounted for N. Wright, jr., and passed to the credit of N. Wright, jr.

x 64th ques. In answer to question 1 you stated that you were assistant cashier. Will you state wherein your duties differed from the cashier's as stated in by-law 7?

Ans. My general duties as assistant cashier were the same as those of the cashier specified in by-law 7.

x 65th ques. In answer to question 1 you have stated that you had been assistant cashier more than fourteen years. To what extent did this give you a knowledge of the details of the company's business?

Ans. It gave me a full knowledge of the details in the business in the banking department, and a general knowledge of the business of the trust department.

x 66th ques. Who among the officers or directors were better in-
404 formed than yourself of the general condition and the business details of the company?

Ans. Charles Stetson, the president, would have a general knowledge of all the business of the company better than mine, and the secretary of the company would be better informed in the business of the trust department than myself, and the cashier in New York in the matters of the N. Y. agency.

x 67th ques. To what extent were you prior to 1857 acquainted with the art of bookkeeping and bank accounts?

Ans. My knowledge of bookkeeping I consider quite limited; bank accounts, being simple cash accounts, are much simpler than mercantile accounts. I had been conversant with bank accounts for twenty-one years prior to 1857.

x 68th ques. To what extent did you in fact observe the conduct of all persons employed under you?

Ans. I used to keep a general supervision over them. I attended the bank daily when not absent on account of ill health or for other reasons. I suppose I was not absent to exceed three months in all during the whole fourteen years.

405 x 69th ques. Can you state any instance between the years 1852 and 1857 in which the trustees retained any person in their employ whom any of the officers reported to them to be guilty of negligence, or bad conduct, or incapable?

Ans. I cannot. I don't know of an instance of their being retained after such report being made of their incapacity or other unfitness.

x 70th ques. During the years from 1850 to 1857 were standing committees of finance appointed agreeably to the 12th by-law?

Ans. I have not been able to find any appointments between those dates, but I find that Charles Stetson, George Luckey, and Samuel Fosdick were acting as a finance committee.

x 71st ques. Please name them.

Ans. I have done so in my answer to question x 70.

x 72d ques. About how many years had they, respectively, been trustees?

Ans. Mr. Lucky had been a trustee since 1834, Chas. Stetson since 1840, and the earliest memorandum I see of Mr. Fosdick was in 1836. He came in to fill a vacancy, and I can't tell exactly when it was.

406 x 73d ques. Please explain the minutes of the trustees, and state whether the dividends of July, 1851, vol. 1, page 442, Jan'y, 1852, page 450, July, 1852, page 457, Jan'y, 1853, page 466, July, 1853, page 479, Jan'y, 1854, page 489, July, 1854, page 494, Jan'y, 1855, page 500, July, 1855, vol. 2, page 5, Jan'y, 1856, vol. 2, page 11, July, 1856, vol. 2, page 17, Jan'y, 1857, vol. 2, page 26, July, 1857, vol. 2, page 34, were made upon an examination of the company's affairs and upon the reports of the standing committee of finance.

Ans. I have examined the minutes at the dates and places specified, and I find that the dividends of those dates were made upon an examination of the company's affairs and upon the reports of the standing committee on finance and upon their recommendations. The amount of the dividend was generally controlled by the vote of the board. Sometimes the board reduced the amount recommended by the committee, and sometimes they made it higher, as they deemed expedient.

407 x 74 ques. In x answer 4 you have referred to reports made by the

finance committee. Can you state whether in any case, and if so in what cases, you were called on to aid the finance committee in preparing their reports from 1852 to 1857.

Ans. I was not called on individually in any case. The person who gave them the figures was the general bookkeeper, Mr. Leple.

x 75th ques I desire your opinion as a bank officer of fourteen years' experience, whether these reports of the finance committee, or any of them, and if so which, state any facts or omit to state any facts which upon reading the report would suggest that further inquiry was necessary before acting upon them.

Answer. I do not know that anything was stated in those reports or omitted in them which would have suggested the necessity of any further enquiry. I would have acted upon them without any hesitation as the cashier of the trust co.

x 76th ques. Assuming the true condition of the bank at the several periods stated in x ques. 73 to be as the finance committee then reported it to be, will you state your opinion as a bank officer conversant with
408 bank statements whether that condition justified the several dividends then declared or not.

Ans. I have examined the reports as far back as Jan'y, 1854, and from those reports would, as a bank officer, feel justified in the declaration of dividends equal in amount to those declared.

x 77th ques. If you can state from recollection, will you state whether, at the time these dividends were declared, you concurred in their propriety; or if they did not then meet your approval, will you state whether at any time you expressed your disapproval of them to defendant N. Wright?

Ans. I believe in all the cases the dividends declared met with my approval at the time; and I have no remembrance of ever mentioning any disapproval of the same either to N. Wright or to any other of the defendants.

x 78th ques. You stated in answer 7 that on the 24th of August, 1857, $740,881 85 of the proper trust fund remained uninvested. Are you not aware that a large proportion of this amount was invested in bonds or notes which were secured by mortgages on real estate and in lands which the company had taken for debts due it?

Ans. I have answered this question in my answer to x ques. 18. The railroad bonds mentioned in that answer were secured by mortgages
409 on the railroads, as the bonds purported on their face to be so secured.

x 79th ques. Can you state that any losses happened to the company from the investment in notes and bonds so secured by mortgages as stated in your last answer?

Ans. To the best of my knowledge, I can state in a general way that we have made more than we have lost by these transactions.

x 80th ques. Referring to question 10, will you state who the leading or prominent stockholders resident in New York were from 1853 to 1857, both inclusive, and the amounts of their shares at any one time? I exclude officers and trustees.

Ans. By reference to the list of stockholders, I find Wm. B. Astor had in June, 1853, 226 shares; same, June, '54, 226 shares; same, June '55, 226 shares; same, June, '56, 226 shares; same, June, '57, 226 shares. P. M. Bryson, cas. Pœnix Bank, had in June, 1853, 165 shares; same, interest, June, '54, 5 shares; same, interest. June, 55, 5 shares; same, interest, June, '56, 5 shares; same, interest, June, '57, 5 shares. Clark, Dodge & Co., had in June, 1853, 134 shares; same, June, 1854, 25 shares. Clark,
410 Dodge & Co. had in June, 1855, 00 shares; same, June, 1857, 125 shares. R chard Delafield had in June, 1853, 148 shares; same, in June, 1854, 148 shares; same, in June, 1855, 148 shares; same, June, 1856,

148 shares; same, June, '57, 148 shares. Robert Gracie had in June, 1853, 102 shares; same had in June, 1854, 50 shares; same had in June, 1855, 50 shares; same, June, 1856, 50 shares. Peter Harmony had in June, 1853, 200 shares; same, June, 1854, 00 shares. Peter Harmony, Nephew & Co., June, 1856, 20 shares; same, June, 1857, 20 shares. Geo. H. Kelsey had in June, 1853, 274 shares; same, June, 1854, 102 shares; same, June, 1855, 2 shares; same, June, 1856, 74, shares. James G. King & Sons had in June, 1853, 265 shares; same, June, 1854, 111 shares; same, June, 1855, 00 shares. Prime & Co. had in June, 1853, 550 shares; same, June, 1854, 783 shares; same, June, 1855, 674 shares; same, June, 1856, 220 shares; same, June,
411 1857, 222 shares. Thomas Tiliston, pres't Phœnix B'k, in trust, June, 1853, 300 sh's; same, June, '54, 300 sh's; same, June, '55, 300 sh's; same, June, '56, 300 sh's; same, June, '57, 300 sh's.

x 81st ques. In the exhibits made from year to year, and in the reports to the supreme court, how is the item of the two loans, amounting to $600,000, alluded to in your 12th answer, stated? Was there any concealment of these two loans in your published report?

Ans. It appears in our published report as being part of the capital of the banking department, and in the trust department is included in the item certificates of deposits as a part of the indebtedness of the company. There was no concealment of the true state of the facts in the published reports.

x 82 ques. You state in answer to question 13 that these two loans had all been repaid in April, 1856. Were they repaid by means of a new loan or from profits, real or supposed, made by the company?

Ans. I am not able distinctly to answer that question, they being
412 mainly taken up at the N. Y. office. At the date of suspension there was outstanding, as appears by the books, in twenty year deposits, $96,381, which I believe were given in part payment or extension of the said $600,000.

x 83d ques. In answers 23, 24, 25, and 26 you speak of the semi-monthly statements sent by the N. Y. agency to the home office. Did these statements profess to be transcripts of the ledger in N. Y., and thus represent the state of the accounts there?

Ans They professed to be transcripts of the balances in the ledger, and they did profess to represent the state of accounts there.

x 84th ques. Was it part of your duty as assistant cashier, having charge of the home office, to examine these semi-monthly balance sheets?

Ans. It was not my duty to examine them. It was the president's duty to examine them, although I did look over almost all of them as they were handed to me to be copied in the directors' book by a clerk.

x 85th ques Were they to your knowledge examined by the president or finance committee?

413 Answer. These reports, after their receipt, were copied into a book called "weekly statements." This book was laid upon the directors' table, was open for their examination, and was frequently examined by some of them. Mr. Stetson, the president, Samuel Fosdick, S. C Parkhurst, Samuel J. Broadwell, Abraham M. Taylor, and C. Dietrich, I suppose, examined them more frequently than others.

x 86th question. Was there any statement or the omission of any statement in any of them, and if so in which of them, that made the exhibit, to the practised eye of an experienced cashier, so defective as to call for a further examination?

Ans. There was not.

x 87th ques. Did you yourself, in the conduct of your business as assistant cashier, rely on the semi-monthly balance sheets as accurate transcripts of the balances on the N. Y. agency's ledger?

Ans. I did.

x 88th ques. Had you at any time while you were assistant cashier reason to change your opinion as to the reliableness of these semi-monthly reports of the N. Y. agency?

Ans. No, sir.

414 x 89th ques. If you changed your views afterwards, will you state when and why you did so?

Ans. After the failure, I found the statement last given us was not correct. I learned from the visit of Mr. Stetson to N. Y. that the accounts were not accurate and from my own examinations made subsequently.

x 90th ques. In answer 32 you state that Ludlow sent the home office reports of his loans, and in answer to 29 you say that at the time these loans were made you believed Ludlow had made them in accordance with his instructions from the home office as set forth in the board's resolution of Feb'y 14, 1855, page 502 of the minutes. Will you now state whether at the time these reports were received at the home office, from 1855 to 1857, inclusive, you noticed any item or the omission of any item which to your practiced eye suggested that further enquiry was needful? If you did, state what you noticed and to whom you communicated the fact, and whether on any occasion you named it to defendant Nathaniel Wright.

Ans. I did not.

x 91st ques. In answer 29 you state that after the suspension you ascertained that these loans were made by Ludlow in violation of the instructions of the board. Will you state when, where and how you ascertained this?

Ans. I ascertained it on my visit to New York in November, 1857,

415 by examination of the books there and by conference with Mr. Stetson and Mr. Broadwell, who had examined the books in N. Y. after the suspension. My examination of the books in N. Y. showed them to be regular enough apparently, but the facts were not as stated in the books.

x 92d ques. Will you state whether in your investigation after the failure you had any reason, and if so, what reason, to distrust the accuracy of the paper marked Exhibit "F" in your 33d answer?

Ans. With some exceptions in regard to details the paper was found to be generally accurate.

x 93d ques. There appears to be an ambiguity in your 38th answer. Do you mean that it was the practice of the company to allow any trustee to secure his own part of the capital stock not exceeding $5,000 by bond or note, and a conveyance of real estate in trust to the company in addition to a loan of $20,000.

Ans. In regard to loans trustees were treated like other people, and no distinction was made with them in regard to renewals. There was some difference in the board as to the construction of the 17th section of the charter, some contending it gave them a right to accommodations for $25,000, and others for only $20,000.

x 94th ques. In relation to the debt of Charles Stetson to the banking department of the company, was the fact of such loans ever, to your

416 knowledge, communicated to the defendant N. Wright?

Ans. It never was to my knowledge.

x 95th ques. Is not the true explanation of answer 94 this, that Mr. Ludlow transmitted accounts of loans made by him in N. Y. to the home office, and as an item in the report added in the margin in the name of the approving trustee, while in some instances Mr. Coe inserted his own name in his own hand?

Ans. There were blanks printed for these reports, having a column in the margin headed "approved." Some of these blanks have the name of the approving trustee in that column in his own handwriting, as I believe, while other reports appeared to be in the handwriting of E. Ludlow all through,

including the name of the approving director without any attempt at imitating his handwriting.

x 96th ques. In conducting the ordinary business of the company were the home office accustomed to take Mr. Ludlow's statements of a fact as evidence of that fact, or did they subject all his statements in his letters and his reports to the ordeal of outside enquiry; and when did they first make such outside enquiries?

Ans. They relied upon Mr. Ludlow's statements till the time of suspension. After that, when we found the books were false, we made outside enquiries.

417 x 97th ques. From the time Mr. Ludlow was appointed assistant cashier, in December, 1852, to August 1, 1857, had you either in your official or individually capacity found any reason to distrust his truthfulness in his business relations? If you had, state what reason, and when, and upon what occasion you communicated the fact to Nathaniel Wright.

Ans. I had no reason to distrust him, and made no communication on the subject to Nathaniel Wright.

x 98th ques. Did you assist in making the statement of the condition of the company, August 17, 1857, referred to in question 49, Exhibit "I?"

Answer The statement was prepared by Mr. Luckey, from the books, and I believed at that time it represented the true condition of the company, and I signed it as assistant cashier, feeling every confidence in its correctness.

x 99th ques. At the meeting of the trustees, on the afternoon of the 24th of August, 1857, or on the following day, did you hear any of them state their views in reference to the solvency of the company? If you did, state who it was who spoke, and what he said.

Ans. I was not present at the meeting of the board, but I heard no expression of doubt from them as to our solvency. We expected to derive such aid from the city banks as would enable us to go on the next

418 day. It was in consequence of their refusing to assist us that we resolved to suspend.

x 100th ques. When was your belief in the ultimate solvency of the company changed, and when and why?

Ans. I have already stated that at the date of the assignment I believed the stockholders would realize 40 per cent., and until about the time of the making up of the statement published by the assignees, in Sept., 1858, I was not fully satisfied but that the creditors, independent of the stockholders, would be paid in full.

x 101 ques. Have you compared the statements from January 1, 1855, to August 18, 1857, which were sent to the home office, of the state of stock ownership, with the face of the stock ledger, which Mr. Kilbreth imported from N. Y early in 1861? If you have, will you state whether in those semi-annual statements there appear any great fluctuations in the number of Ludlow's shares from half year to half year, and whether in the time between the close of the books at one half year, and a short time previous to the close at the next half year the principal changes upon the ledger do not appear to have taken place.

Answer. It appears from the stock ledger that Mr. Kilbreth brought from N Y. in 1861 that Mr. Ludlow bought and sold: Between Jan'y, 1855, and July 1, 1855, bo't 463 shares and sold 339 shares; between July 1, 1855, and Jan'y 1, 1856, bo't 752 shares and sold 649 shares; between Jan'y 1, '56, and July 1, '56, bo't 102 shares and sold 146 shares; between July 1, '56, and Jan'y 1, '57, bo't 264 shares and sold 282 shares; between Jan'y 1,

419 '57, and July 1, 1857, bo't 1,881 shares and sold 1,501 shares; between July 1, 1857, and Aug., 1857, bo't 381 shares and sold 747 shares. And that ledger shows that he owned at the closing of the books for

dividends, in Jan'y, 1855, 31 shares; in July, 1855, 155 shares; in Jan'y, 1856, 258 shares; in July, 1856, 214 shares; in Jan'y, 1857, 196 shares; in July, 1857, 479 shares; and in August, 1857, 113 shares.

x 102 ques. In question 76 you were asked in reference to an item of $595,217 created at the N. Y. office, and carried here to profit and loss. Are you not aware that this item was the cause of Mr. Vermilyea's resignation of or removal from the cashiership at N. Y., and that Mr. Coe, his successor, insisted that the office at N. Y. should not be burdened with it if he took the cashiership?

Ans. I am aware that Mr. Vermilyea resigned shortly after the disclosure of this.

x 103d ques. Please tell us what the "date last above," alluded to in answer 79, means.

Ans. It refers to Oct. 28, 1848.

x 104th ques. With respect to loans upon the hypothecation of
420 RR. stocks and bonds prior to Aug., 1857, will you state as a matter of the financial history of the country what the general reputation of that class of securities in the money market was and had been for several years before that date, and to what extent, if any, such loans had superseded to old practice of lending money on business or accommodation paper, secured by endorsement of individuals, and whether other banks besides the trust co. at Cincinnati and New York were accustomed or had the common reputation of being accustomed to lend money upon such securities; and, if so, what banks; and what was the then reputed desirableness of such securities as compared with State stocks, and the stocks of other incorporated companies?

Answer. Up to the fall of 1854 railroad stocks and bonds, as a general thing, were considered available securities for money loaned, with a margin of from 10 per cent to 15 per cent. Subsequent to that date only such stocks as paid regular dividends in cash and bonds upon which the interest was regularly paid were considered available. I am not able to speak of the custom of other banks. The trust company kept up its usual line of local discounts on business paper, and I think we made few loans here in Cincinnati on RR. securities. If I should answer the common reputation of other banks, I should say that the practice had ceased before 1857. By banks I mean the incorporated banks. The private bankers had the reputation of loaning on such securities. State stocks and stocks of other incorporations were regarded as more desirable securities in 1857.

421 x 105th ques. Please state whether the home office, prior to Jan'y, 1853, had been accustomed to make loans of money on RR. securities, and if yea, can give some approximate estimate of their extent?

Ans. I have examined the minutes back to January, 1851, and find the loans on RR. securities between Jan'y 1, 1851, and Jan'y 1, 1853, amounted to $154,500.

x 106th ques. I now call your attention in detail, to the following loans. Will you state whether according to the then market value of the securities the loans were well secured, and what losses to the company, if any, has happened on them. 1st min. 477, 31st May, 1853, W. W. Scarborough, $10,000; 503, Feb'y 22, 1855, S. B. Keys $10,000; 503, do. 26, '55, Mary M. Broadwell, $4,000; 504 M'c'h 27, '55, R. M. Shoemaker, $12,000. 2d minutes, 8, Sept., 15, '55, Wm. C. Neff.

Ans. The first four loans were upon RR. securities, in which the securities were ample, and upon them no loss has accrued to the company. The loan to Wm. Neff was upon real estate, and no loss has accrued to the company upon that loan.

x 107th ques. With respect to investments in stocks and bonds, I call

your attention to the following: 1st min. 483, Sept. 16, 1863, Dayton T'p, at 87½; 491, Feb'y 21, 1854, C., H. & D. RR. bonds at . 2d min., 11,
422 Dec. 14, 1855, Lawrenceburg br. St. B'k, Ind. Were these or either of them purchases above the then market price? And if yea, what losses, if any, did the company sustain on any of them?

Ans. All these bonds were good investments at the time, and no loss has accrued to the company in consequence. And the Lawrenceburgh Bank stock was also a good investment, and no loss accrued to the company in consequence.

x 108th ques. In answers 98 and 99 you speak of complaints of errors in the accounts of the N. Y. agency, during Mr. Ludlow's administration. Will you state who kept the books of the agency during the time these complaints were made?

Ans. John Ackerman was the general bookkeeper in N. Y., and was considered competent and was recommended by Winslow & Perkins, his former employers, as I have always understood.

x 109th ques. Please produce some of the letters in which these complaints were made, and exhibit them, that we may understand the nature of the complaints.

Ans. I find letters from J. Andrews, president of the State Bank of Ohio, copies of which are hereto attached, marked Exhibit 129.

x 110th ques. Will you state what measures, if any, were taken by the home office to correct these errors and to prevent their reoccurrence.
423 I call your attention the letters of Ludlow to Stetson, of March 25, 1856, and April 18, 1856.

Ans. I refer to Exhibits R and S.

x 111th ques. Did you, as assistant cashier, or did Mr. Stetson, as president, call the attention of the board of trustees or of the defendant N. Wright to the fact of these complaints, or did you or he consider them at the time as errors incidental to an extended business.

Ans. Mr. Stetson, as president, called the attention of the board to them; whether he called the attention of N. Wright to them or not, I am not able to state, and they were regarded as errors incidental to a large business, and not as indicating any want of integrity or capacity in those who had charge of the books.

x 112. In reference to the Johnson & Gilbert contract, Exhibit W, will you now state whether the defendant N. Wright ever saw that paper, to your knowledge? Or do you know that that paper was before the board of trustees on the 23d of January, 1856?

Ans. I do not know whether defendant N. Wright ever saw the paper or not, or whether it was ever before the board of trustees or not.

x 113 ques. Can you state what action the trustees in N. Y. took
424 upon the resolution of Jan'y 23, 1856, and from your personal knowledge, or from any books or papers belonging to the trust co.?

Ans. I have no personal recollection that anything was done by the trustees, but I tender Ludlow's letter of Ap'l 19, 1856, to C. Stetson, a copy of which is attached hereto, marked Exhibit 130.

x 114th ques. Will you examine the minutes of January 23, 1856, and say how the defendant Nathaniel Wright voted on the resolution set out in answer 107.

Ans. I have examined the book, and from the record then made I find that N. Wright voted in the negative.

x 115th ques. You have stated in answer 115 that you kept an account with the N. Y. agency, and drew drafts on that agency. May I ask if the balances reported by you in your 120th answer were occasioned by the drafts drawn by you on the N. Y. agency?

Ans. They were.

x 116th ques. Were those drafts time or sight drafts?

Ans. For the last eight months all the drafts I drew on the N. Y. agency were sight drafts.

x 117th ques. At the time you drew can you remember whether in your judgment as an officer, conversant for many years with the company's
425 affairs, you thought it prudent or imprudent to draw the drafts which you did draw?

Ans. I considered it as prudent, believing that we always had means of our own in hand sufficient to protect them in N. Y.

x 118th ques. In answer 120 you have stated the balance due the N. Y. agency by a figure of speech from the home office. Will you now state the apparent means, according to your books and the semi-monthly statements from the agency, which the company then had at their disposal at the time named?

Ans. The apparent means consisted of bills receivable and RR. bonds, the amount of which I have stated in a former answer.

x 119th ques. In answer 123 you have stated what loans the N. Y. agency appear by the N. Y. loan book to have made by Mr. Ludlow to himself. Will you state how this statement agrees with the statement of loans sent by Mr. Ludlow from N. Y. to the home office, at the times named on the loan book?

Ans. I have examined the returns made to the home office from the N. Y. agency, and do not find that any return of their loans were made to us by the N. Y. office.

x 120th ques. Will you state whether these loans to Ludlow ever
426 became known to you prior to Aug. 24, 1857? If yea, which of them, and when, and how? and whether you communicated the fact to defendant N. Wright? and if yea, when and where?

Ans. They were unknown to me prior to Aug. 24, 1857, and I made no mention of them to Mr. N. Wright.

x 121st ques. Will you state whether your drafts on N. Y. were against the funds and maturing bills receivable, which the home office sent the N. Y. agency exclusively, or against the estimated amount of deposits in the N. Y. agency as well.

Ans. We calculated as well upon the funds deposited in N. Y. at our agency as upon our remittances to that agency. Many of the western banks, who were our customers, and who kept their account at N. Y. at the agency, were required by their charters either funds in the east or specie in their vaults, to a certain ratio of their circulation. This always made a fund in N. Y., which we felt at liberty to rely on in case the maturing bills should not be paid at maturity, and thus disappoint our expectations in drawing the sight drafts.

x 122d ques. In answer 118 you say Ludlow requested you to "withhold your checks for a time," according to the state of the money market. Do you mean by "withhold" that the home office should recall or retain the drafts which you had already drawn, or that you should cease drawing, or draw for less amounts?

427 Answer. We understood it to mean to draw for less amounts than we had been drawing; not to cease drawing, nor to recall checks already drawn, but to draw less freely.

x 123d ques. By the state of the money market do you mean the state of the deposits at the N. Y. agency, the withdrawal of which would diminish the fund on which you partly relied to pay the drafts, or that the scarcity of money at the west would occasion the western banks, who kept their accounts at the N. Y. agency, to draw more freely on the agency and thereby diminish your available funds there?

Ans. I suppose that might be dependent on both causes. The scarcity of money in N. Y. would affect the west and occasion drafts on the agency, and Mr. Ludlow being in N. Y. would have better means of information on this subject than we would.

x 124 ques. Assuming that the drafts on the N. Y. agency should not exceed the average line of deposits there, and the amount of the fund which would arise from the regular payment of the bills receivable remitted to it, can you, as an experienced bank officer, suggest any other legitimate effect of drawing up to that limit, to place more perfectly under the control of the home office all the available funds of the company?

428 Answer. No. I cannot see any other effect than that suggested. There could be no safer mode.

x 125th ques. Will you give some approximate statement, in round numbers, of the amount of annual deposits at the home office during the years from 1853 to 1857, if there are any means on the books of readily ascertaining that amount?

I have examined the account for 1856, which I think will be about an average for those years, and I find the gross amount of deposits in that year to have been, in the banking department about $74,000,000; in the trust department about $1,000,000.

x 126th ques. Please state in round numbers the amount of discounts annually at the home office from 1853 to 1857.

Ans. It would be about $10,000,000 in gross, $3,000,000 domestic bills, and $7,000,000 foreign bills. This is the business of 1856, which I believe to be about an average.

x 127th ques. Please state in round numbers the amount of the funds and bills receivable remitted annually from the home office to the N. Y. agency, during the years from 1853 to 1857.

Ans. The annual average in those years would be about $10,000,000 or $12,000,000.

429 x 128th question. Please state in round numbers the total amount of the drafts which, in each of those years, your drew on the N. Y. agency.

Ans. The average amount during those years was about the same as the remittances.

x 129th ques. Please state in general terms the number of officers and clerks employed in the home office from 1853 to 1857, and the kind of employment of each.

Ans. The number of persons was from twenty to twenty-five. They were pres't, sec'y, ass't cas., ten bookkeepers, four tellers, one discount clerk, and four messengers.

x 130th ques. Will you state whether these persons were habitually at the bank, apparrently attending to the duties of their stations, and if not, for what parts of the time were they absent, and in what respect delinquent, and whether the same persons were, as a general rule, retained in the employ of the company, so as to become known to the trustees, or whether they were frequently changed?

Ans. These persons were habitually at their respective posts and duties, and apparently attending to them, and they were generally retained through a number of years. For example, our general bookkeeper had been in our employ fifteen years, and our discount clerk had been with us ten

430 years, and the bookkeeper of the trust department, afterwards secretary, had been with us about twenty years.

x 131st ques. By the 9th by-law six trustees were sufficient to form a quorum. In practice, who in general, from 1853 to 1857, both years inclusive, constituted this quorum; that is, who were most frequently in attendance at the meetings of the board?

Answer. They were usually Charles Stetson, Samuel Fosdick, A. M. Taylor, Clement Dietrich, S. C. Parkhurst, and John C. Wright, were there most frequently.

x 132d question. Please state whether John C. Wright was frequently in attendance on the board.

Ans. John C. Wright was a frequent attendant on the board. He attended daily when he was well and in town.

x 133d ques. Please state who drew up the minutes in form, after the failure of the company, and whether that person attended the meetings of the board.

Ans. The minutes were recorded in the minute book, in the handwriting of Geo. W. Rice, and from the 27th of August to the 18th of September, inclusive, they are signed S. J. Broadwell, ass't secretary, in the
431 handwriting of Rice. After that date they are signed by Mr. Rice. Mr. Rice's duties were such that I presume he was not present between those dates. At the full meeting for the whole time he was occasionally called in by the board for a consultation or information in relation to matters before them. Memorandums of the proceedings of the board were kept by S. J. Broadwell, as sec'y pro tem., and, as stated above, recorded by Geo. W. Rice.

x 134th ques. Please examine the minutes of the board, Sept. 24, 1857, 2 min., 48; Sept. 15, 1857, 2 min., 45; Sept. 26, 1857, 2 min., 50, and state whether N. Wright was present at those meetings.

Ans. His name does not appear at either of those meetings.

135th question. Please examine the minutes of the board and state whether C. N. Wright was present at any meetings of the board prior to Sept 12, 1857, or any days except the following: 12th Sept., 1857, 2 min., 44; 10th Sept., 1857, 2 min., 43; 9th Sept., '57, 2 min., 43; 7th and 8 Sept., '57, 2 min., 42; 5th Sept., '57, 2 min., 41; 4th Sept., '57, 2 min., 41; 12th June, '57, 2 min., 33; 4th April, '57, 2 min., 29; 13th Feb'y, '57, 2 min., 28;
432 15th Jan'y, 1857, 2 min., 26; 10th Nov., '56, 2 min., 22; 4th Nov., '56, 2 min., 22; 28th Oct., '56, 2 min., 21; 10th July, 1856, 2 min., 18; 7th July, 1856, 2 min., 17; 28th April, 1856, 2 min., 15; 30th Jan'y, 1856, 2 min., 12; 23d Jan'y, 1856, 2 min., 12; 18th June, 1856, 2 min., ; 14th Dec., 1855, 2 min., 11; 1st Oct., 1855, 2 min., 9; 17th Sept., 1855, 2 min., 8; 28th June, 1855, 2 min., 3; 5th May, 1855, 2 min., 2; 1st May, 1855, 2 min., 2; 27th March, 1855, 1st min., 504; 21st March, 1855, 1st min., 504; 23d Feb'y, 1855, 1st min., 503; 22d Feb'y, 1855, 1st min., 503; 6th Feb'y, 1855, 1st min., 501; 26th Jan'y, 1855, 1st min., 501; 6th Jan'y, 1855, 1st min., 500; 30th Nov., 1854, 1st min., 499; 29th Nov., 1854, 1st min., 499; 9th Oct., 1854, 1st min., 498; 2d Oct., 1854, 1st min., 498; 8th August 1854, 1st min., 496; 3d July, 1854, 1st min , p'ge 494; 2d April, 1854, 1st min., p'ge 493;
433 13th March, 1854, 1st min., 491; 11th March, 1854, 1st min., 491; 11*th March*, 1854, 1*st min., page* 491; 21st Feb'y, 1854, 1st min., page 491; 10th Jan'y, 1854, min., page 489; 2d Jan'y, 1854, min., page 489; 23d Dec., 1853, min., page 489; 6th Dec., 1853, min., page 488; 7th Nov., 1853, min., page 486; 3d Nov., 1853, min., page 486; 31st Oct., 1853, min., page 485; 29th April 1853, min., page 484; 16th Sep't, 1853, min., page 483; 19th July, 1853, min., page 480; 31st May, 1853, min., page 477; 7th April, 1853, min., page 472; 24th March, 1853, min., page 472; 23d March, 1853, min., page 471; 8th Feb'y, 1853, min., page 469.

Answer. I have examined the minutes and do not find him to have been present at any other times that those specified in this question.

136. When the word Wright alone without any christian name appears on the minutes, which Wright is intended, John C. or Nathaniel?

Answer. I should believe it was intended for John C. Wright.

137. Please examine the minutes at the dates and pages indicated in x question 135, and state what losses, if any, the company sustained by reason of any of the transactions authorized at those meetings.

Answer. I have not been able to discover any losses which have
434 accrued to the company from the transactions of those respective dates.

138 question. Please examine the 1 min., page 502, Feb'y 14, 1855, at which Edwin Ludlow was appointed cashier in New York, and state how Nathaniel Wright voted upon that occasion.

Answer. The minutes of that date do not show Nathaniel Wright to have been present at the meeting referred to, and I am not able to state whether he voted on the question or not; from the minutes it would appear that he did not.

139 question. Please state whether the securities upon which the company made the loans they did make to Nathaniel Wright were ample securities, and whether the company sustained any loss on any of them.

Answer. The securities were ample, and no loss accrued to the company on any of the loans to my knowledge.

S. P. BISHOP.

January, 1854.	Int. on dep. in trust	$14,081 38
	Expenses	796 66
	Salaries	4,183 28
	Dividends	80,000 00
	State tax	4,000 00
	Exch'ge paid	13,778 47
	Interest	37,026 77
	Expenses	12,824 98
	Collins & Lindsey	5,600 00
	Surplus fund	23,795 30
		196,086 84
	Surplus fund after dividends	192,092 54
435 July, 1844.	Interest on deposits	18,002 74
	Expenses	2,415 88
	Salary	4,249 92
	Dividends	70,000 00
	Exchange	22,003 23
	Interest	55,837 12
	Expenses	9,368 61
	Surplus fund	50,733 33
		232,610 83
	Surplus fund after dividend	242,825 87
January, 1855.	Interest dep's in trust	14,453 47
	Exchange ac	241 63
	Salaries	4,249 92
	Debit in b'k'g dep't	58,660 94
	Dividends	70 000
	Surplus funds	38,804 68
		186,410 64
	Surplus funds after dividends	281,630 55

July, 1855.	Int. paid on deposits	7, 728 21
	Salaries	4, 249 92
	Expenses	1, 729 42
	Bills rediscounted in N. York	6, 114 76
	Exchange	30, 138 56
	Interest	34, 486 95
	Expense ac	11, 910 33
	Taxes for 1851-2-3-4	194, 294 29
	Dividends	80, 000 00
	Surplus funds	56, 200 78
		426, 854 22
	Surplus funds after dividends	143, 537 24
436 January, 1856.	Int. on deposits	7, 904 34
	Salaries	4, 249 92
	Expenses	1, 922 92
	Discount in N. York	2, 539 16
	Exchange	15, 979 01
	Interest	32, 900 42
	Expense ac	12, 449 49
	Tax 1855	44, 154 36
	Dividends	80, 000 00
	Surplus funds	5, 559 74
		207, 659 36
	Surplus funds after dividends	149, 096 98
July, 1856.	In't paid on deposits	14, 147 54
	Salaries	4, 249 92
	Expenses	1, 563 94
	Discount in N. York	2, 030 04
	Exchange	23, 820 97
	Interest	43, 527 32
	Expense	11, 303 41
	Miscellaneous ac	20, 000 00
	Dividend	80, 000 00
	Surplus fund	27, 701 72
		228, 344 86
	Surplus fund after dividend	176, 798 70
January, 1857.	In't paid on deposits	12, 073 68
	Expense	2, 011 58
	Salaries	3, 299 96
	Exchange	19, 973 70
	Interest	18, 954 11
	Expenses	11, 699 35
437	Dividends	90, 000 00
	Surplus funds	37, 503 53
		195, 514 71
	Surplus funds after dividends	174, 945 41
July, 1857.	In't dep's in trust	14, 571 59
	Salaries	3, 538 82

July, 1857.	Expenses	1,239 17
	Exchange	33,462 77
	Interest	34,308 69
	Expenses	11,040 39
	Tax of 1857	13,000 00
	Dividends	100,000 00
	Surplus fund	25,711 64
		235,873 07
	Surplus fund after dividends	200,657 05

Ex. 101.

OHIO LIFE INSURANCE AND TRUST COMPANY,
Cincinnati, 2d Jan'y, 1854.

The committee of finance, in the discharge of the duty imposed upon them, having examined the statement submitted by the secretary and cashier in relation to the business of their respective departments, (made in pursuance of the 19th by-law,) and believing them to be correct, report that the gross profits which have accrued in the insurance and trust department for the past six months, ending 31 ultimo, are $81,200 54.

438	Amount forward		$81,200 54
	Deduct interest, salaries, and other expenses in this dep't for same period		19,061 32
	Leaving n't		62,139 22
	That the gross profits which have accrued in banking department for same period, amount to.	114,886 30	
	Deduct interest, exchanges, salaries, and other expenses for same period	69,230 22	
	Leaving n't		45,656 08
	Net profits in both departments		107,795 30
	Surplus fund July, 1853		168,297 64
	Total undivided profits this day		276,092 54

The profits reported by the cashier in New York, as the earnings there the past six months, is $20,000, which amount is embraced in the statement this day furnished by the banking department.

Since the last report of this committee in July last, the stock held by this company in the Farmers' Bank of Kentucky, at Covington, $10,000 has been sold at a premium of nine per cent. The stock cost par.

The amount of suspended debt in trust department is	$44,289 42
Amount in banking department	98,441 87
	142,731 29

The committee would therefore recommend that a dividend of four per centum on the capital stock of the company should now be declared,
439 payable at such time and place as may be deemed expedient.

(Signed) CHAS. STETSON, *Pres't.*,
G. LUCKEY,
SAMUEL FOSDICK,
Committee of Finance.

Total undivided profits		$276,092 54
Deduct dividend at 4 c	$80,000	
Duduct State tax 5½	4,000	
		84,000 00
Surplus fund after dividend		192,092 54

Proof.

Earnings past six months	$107,795 30
Deduct dividend and tax	84,000 00
Excess	23,795 30
Add surplus after July dividend	168,297 24
	192,092 54

January 2d, 1854.
E. E. C. STETSON, *Pres't.*

440 Ex. 102.

OHIO LIFE INS. AND TRUST COMPANY,
Cincinnati, July 3d, 1854.

The committee of finance, in discharge of the duty imposed upon them, having examined the statement submitted by the secretary and cashier relative to the business of their respective departments, (made in pursuance of the 19 by-law, and believing them correct, report that the gross profits which have accrued in the ins. and trust department for the past six months, ending July 1st, amount to $101,040 02
Deduct interest, salaries, and other expenses in this depart. for same period 24,668 54

Net profits in trust department		$76,371 48
That the gross profits which have accrued in the bank'g department for the same period, amount to	$131,570 81	
Deduct interest, exchange, salaries, and other expenses for same period	87,208 96	
		44,361 85
Net profits in both departments		120,733 33
Add surplus fund after making July dividend		192,092 54
Total undivided profit this day		312,825 87

441 The profits reported by the cashier in New York, as the earnings there the past six months, are about $10,000, (see his letter of the June,) of which the sum of $5,000 is embraced in the earnings of the banking department in the foregoing statement.
The amount of susp'd debt in bank'g dep't is $116,435 76
The amount of susp'd debt in trust dep't is 41,789 42
The committee would recommend that a dividend of —— per centum on the capital stock of the company should now be declared, at such time and place as may be deemed expedient.

CHAS. STETSON,
SAM'L FOSDICK,
Committee of Finance.

442

Ex. 103.

OHIO LIFE INS. AND TRUST COMPANY,
Cincinnati, Jan'y 1, 1855.

The committee of finance, in discharge of the duties imposed upon them, having examined the statements submitted by the secretary and cashier relative to the business of their respective departments (made in pursuance of the 19th by-law,) and believing them to be correct, report that the gross profits which have accrued in the insurance and trust department for the past six months, ending 1st January, amount to..... $88, 682 42
Deduct interest, salaries, and other expenses in this departments for the same period..... 18, 945 02

Net profits in trust department..... ..... 69, 737 40
That the gross profits which have accrued in the bank'g department for the same period amount to..... $97, 728 22
Deduct interest, exchange, salaries, and other expenses for same period..... 58, 660 94
39, 067 28

Net profits in both departments..... 108, 804 68
Add surplus fund after making the dividend in July last..... 342, 825 87

Total undivided profits this day..... 351, 630 55

There has been no report received from the cashier in New York of the profits accruing from the business of the company in that city the
443 past six months.
The am't of suspended debt in banking department is $314, 306 33
The am't of suspended debt in trust dep't..... 41, 789 42

The committee would recommend that a dividend of 3½ per centum on the capital stock of the company should now be declared, at such time and place as may be deemed expedient.

CHAS. STETSON,
SAM'L FOSDICK,
Committee of Finance.

Ex. 104.

OHIO LIFE INS. AND TRUST COMPANY,
Cincinnati, July 2d, 1855.

The committee of finance, in discharge of the duty imposed upon them, having examined the statements submitted by the secretary and cashier, (made in pursuance of 19 by-law) and believing them to be correct, report that the gross profits which have accrued in the ins. and trust depart. for the past six months, ending 30 June, am't to..... $97, 862 63
Deduct interest, salaries, and other expenses in this department for same period..... ..... 13, 707 55

Net profits in trust department..... 84, 155 08

That the gross profits which have accrued in the banking department for the same period amount to..... $134, 696 50

Brought forward	$134,696 50	$84,155 08
Deduct interest, exchange, salaries, and other expenses for same period	82,650 60	52,045 90
Net profits in both departments for the past six months		136,200 00
444 The amount of surplus fund after the dividend of 3½ per centum in January last was		231,630 55
The amount of taxes (including penalties, interest and cost) levied upon this company by the State of Ohio for the years 1851, 1852, '53 and '54, amount to	$210,294 29	
From which deduct the amount credited State of Ohio 1851 and 1852 for taxes on dividends under charter	16,000	194,294 29
Surplus after payment of taxes		87,336 26
The net earnings of the company the past six months in both departments, as per annexed statement, is		136,200 98
The amount of present undivided profits		223,537 24
A dividend now of 4 per cent		80,000 00
Surplus after dividend		143,537 24
The amount of suspended in bank'g depart. is		291,916 40
The amount of suspended in trust depart. is		36,057 94
		327,974 34
Any possible loss that can arise upon this item of 327,974 34 will be fully covered by the value of real estate now owned by the company, which at a low estimate is worth over the sum it stands charged upon the books of the company, say		145,645 24
The amount of delinquent interest due the company and interest earned though not yet due, cannot be estimated at less than		50,000 00
		$195,645 24

445 Believing that the surplus of $143,537 24 (as set forth in the foregoing) is sound and reliable, your committee recommend that a dividend of four per centum on the capital stock of the company should now be declared, payable at such time and place as may be deemed expedient.

No report of the profits at the agency in New York for the past six months has been received.

C. STETSON, *Committee of Finance.*

Ex. 105.

OHIO LIFE INSURANCE AND TRUST CO.,
Cincinnati, 7 Jan'y, 1856.

The committee of finance, in discharge of the duty imposed them, having

examined the statements submitted by the secretary and cashier, relative to the business of their respective departments, (made in pursuance of the 19th by-law,) and believing them to be correct, report that the gross profits which have accrued in the insurance and trust department for the past six months, ending 5th Jan'y inst., amounts to $96, 248, 74
Deduct interest, salaries, and other expenses in this depar't for same period 14, 077 18

Net profit in trust department 82, 171 56

446 That the gross profits which have accrued in the bank department for the same period, amount to $111, 410 62
Deduct interest, exchange, salaries, and other expenses for same period 63, 868 08

47, 542 54

Net profit in both departments 129, 714 10
Surplus fund after making dividend in July last 143, 537 24

Total undivided profits this day 273, 251 34

The amount of taxes to the State so far as ascertained and paid for the year 1855 amounts to 43, 724 49
From five counties no return of the am't taxes levied has yet been received; in these five counties the taxes paid last year amount to 429 87

Probable am't taxes this year, say 44, 154 36

To ascertain the actual earnings of the past six months, it would be proper to deduct from said earnings two thirds the amount of taxes above; $\frac{2}{3}$ of $44,154 36 is $29, 436 24.

Net earnings past six months $129, 714 10
Less $\frac{2}{3}$ taxes, say 29, 436 24

Leaving the sum of 100, 277 86
A dividend now of 4 per cent 80, 000 00

Should leave an excess of 20, 277 86

No report has been received from the cashier in New York relating to profits accruing from the business of the company in that city for the past six months.

447 The am't of susp'd debt in the trust department is ... $36, 057 94
The am't of susp'd debt in the bank'g do. ... 315, 218 26

351, 276 20

The committee would recommend that a dividend of four per centum on the capital stock of the company should now be declared, at such time and places as may be deemed expedient.

C. STETSON,
SAM'L FOSDICK, *Committee of Finance.*

Ex. 106.

OHIO LIFE INSURANCE AND TRUST CO.,
Cincinnati, 7th July, 1856.

The committee of finance, in discharge of the duty imposed upon them, having examined the statements submitted by the secretary and cashier relative to the business of their respective departments, (made in pursuance of the 19th by-law,) and believing them to be correct, report that the gross profits which have accrued in the insurance and trust department for the past six months, ending 5th July, 1856, amount to..... $91, 618 35
Deduct interest, salaries, and other expenses in this department for same period..... 19, 961 40

Net profit trust department..... 71, 656 95
448 That the gross profits which have accrued in the bank'g dep't for same period am'ts to $136, 726 51
Deduct interest, exchange, salaries, and other expenses, same period..... .. 80, 681 74
56, 044 77

Net profits in both departments..... 127, 701 72
Surplus fund after making dividend in Jan'y last was..... 149, 096 98

Total undivided profits this day..... 276, 798 70

From this sum of 276,798 70, y'r committee would suggest that the sum of $20,000 should be charged out, the same being for one half the amount of supposed taxes to the State for the year 1856.

By the annexed statement it will be seen that the net earnings of the past six months, in both departments, irrespective of taxes, is $127, 701 72
The taxes having been paid up to the 1st March last, we deduct for four months or ½ of the year's taxes. ⅓ of 40,000 is 13, 133 33

Estimated net profits..... 114, 368 39

Present surplus as annexed..... 276, 798 70
Deduct as above proposed..... 20, 000 00

Leaves..... 256, 798 70
A dividend of 4 per cent..... 80, 000 00

Would leave a surplus of..... 176, 798 70

Amount of suspended debt is 245,881 35 viz:
In trust department..... $36, 857 94
In bank'g do., ... 209, 823 41
245, 881 35

The committee would recommend that a dividend of four per centum on the capital stock of the company should now be declared at such time and place as may be deemed expedient.

CHAS. STETSON,
G. LUCKEY,
SAM'L FOSDICK,
Committee of Finance.

449 Ex 107.

OHIO LIFE INSURANCE AND TRUST CO.,
Cincinnati, 5th January, 1857.

The committee on finance, in discharge of the duty imposed upon them, having examined the statement submitted by the secretary and cashier, relative to the business of their respective departments, (made in pursuance of the 19th by-law,) and believing them to be correct, report that the gross profits which have accrued in the life ins. and trust department for the past six months, ending 5th Jan'y inst., is..... $99,334 99
Deduct interest, salaries, and other expenses in this department for same period..... 17,385 22

Net profits in trust department..... 81,949 77
That the gross profits which have accrued in the bank'g department for the same period am't to..... $96,179 72
Deduct interest, exchange, salaries, and other expenses for same period..... ..... 50,627 16
45,552 57

Net profits in both departments 127,502 33
Surplus fund after making dividend in July last..... 176,798 70

Total undivided profits this day..... 304,301 03

450 The amount of taxes levied upon the company for the year 1855, by the State and county, including the tax on banking-house, was..... $45,305 65
In the statements herewith presented the balance due the State and county for the year 1856, has been charged up, making the year taxes $24,006 22
To this add the taxes upon the banking-house.... 1,522 67
25,528 89

Difference in favor of 1856 of..... 19,776 76

Amount of suspended debt trust department is..... 36,057 94
bank'g department is..... ... 192,056 21
228,114 15

The committee would recommend that a dividend of 4½ per centum on the capital stock of the company, should now be declared payable at such time and place as may be deemed expedient.

CHAS. STETSON,
SAM'L FOSDICK,
G. LUCKEY,
Committee of Finance.

451 Ex 108.

THE OHIO LIFE INS. AND TRUST CO.,
Cincinnati, 6th July, 1857.

The committee of finance, in discharge of the duty imposed upon them, having examined the statements submitted by the secretary and cashier, re-

lative to the business of their respective departments, (made in pursuance of the 19th by-law,) and believing them to be correct, report that the gross profits which have accrued in the life insurance and trust department for the past six months, ending, 3rd July, is $100, 904 96
Deduct interest, saleries, and other expenses in this department for same period 19, 349 58

Net profits in trust dep't 81, 555 38
That the gross profits which have accrued in the bank dep't for the same period amounts to $135, 968 11
Deduct interest, exchange, salaries, and other expenses for same period 78, 811 85
57, 156 26
Net profits in both departments 138, 711 64
Surplus fund after making dividend in July last was 174, 945 41

Total undivided profits this day 313, 657 05

452 The amount of suspended debt in b'k dep't is 62, 610 51
trust dep't is ....

By reference to the annexed document, marked A, it will be seen that for the past 7 years (commencing with the year 1850) the net earnings of the company have averaged 11 54-100 per cent. per annum. Your committee perceive no good reason to question the ability of the company to produce as good a result in the future.
The undivided profits this day being $313, 657 05
If a dividend of 5 per cent. should now be made .. $100, 000
And the one half am't of estimated tax for this year deducted 13, 000
113, 000 00

There will still remain a surplus fund of 200, 657 05

Equal to 10 per cent. on amount of capital.

The committee would recommend that a dividend of 5 per centum on the the capital stock of the company should now be declared, payable at such time and place as may be deemed expedient.

CHAS. STETSON,
SAM'L FOSDICK,
Committee of Finance.

453 CINCINNATI, *July* 6, 1857.

Board met. Present: C. Stetson, president, Messrs. J. C. Wright, Deitrich, Enyart, Broadwell, Keys, Stedman, Parkhurst, Taylor, and Fosdick, trustees.

The president laid before the board the semi-annual report of the committee on finance, whereupon, on motion, a dividend of five (5) per cent. was declared. Those voting in the affirmative, J. C. Wright, Deitrich, Enyart, Broadwell, Keys, Stedman, and Stetson, and those in the negative, Taylor, Parkhurst, and Fosdick; same payable here on demand, and in New York on the 22nd inst.

J. H. RICE, *Sec'y.*

454 Ex. 109.

THE OHIO LIFE INSURANCE AND TRUST COMPANY,
Cincinnati, November 1st, 1854.

The board of trustees, in compliance with the order of the supreme court of the State of Ohio, of the nineteenth of January, anno Domini eighteen hundred and forty-six, respectfully submit the following statement of the affairs of the company as they stood on the last day of October, eighteen hundred and fifty-four.

First. *Of the insurance and trust department.*—The amount of capital stock loaned upon bonds and mortgages (exclusive of interest) is $1,422,331 62, in addition to which the company hold real estate, purchased under decrees on loans on capital stock, amounting to $11,009 72, making the aggregate amount of this class of investments $1,433,341 34.

The following table shows the aggregate amount of loans in each county; the aggregate value in each county of the lands mortgaged; the same arranged in classes of $300 and less, $500 and less, $1,000 and less, $5,000 and less, $10,000 and less, and all above $10,000 *and less, and all above* 10,000, and the aggregate number of loans in each county:

Counties.	Investments.	Securities.	300 and less.	500 and less.	1,000 and less.	5,000 and less.	10,000 and less.	Over 10,000.	Aggregate of loans.
Allen	$2,700 00	$6,800	2	2	----	1	----	----	5
Ashtabula	2,300 00	7,500	----	----	1	1	----	----	2
Brown	7,100 00	25,207	1	----	2	3	----	----	6
Butler	124,093 00	329,791	5	----	9	21	5	----	40
Belmont	2,989 32	13,185	6	1	1	1	----	----	9
Cuyahoga	91,408 37	245,090	2	4	9	26	----	1	42
455 Coshocton	3,500 00	35,000	1	----	----	2	----	----	3
Columbiana	15,199 86	45,428	2	6	4	3	----	----	15
Carroll	7,250 00	28,362	10	1	8	----	----	----	19
Clinton	7,500 00	17,980	----	1	----	3	----	----	4
Clermont	28,106 64	80,189	4	----	6	10	----	----	20
Clarke	34,503 64	112,844	----	----	7	5	17	----	29
Champaign	43,144 77	125,416	10	5	11	11	----	----	37
Crawford	2,700 00	7,000	1	----	1	1	----	----	3
Delaware	2,350 00	11,072	2	1	2	1	----	----	6
Darke	5,300 00	22,875	5	2	4	----	----	----	11
Erie	4,260 00	8,520	----	----	1	2	3	----	3
Fairfield	20,807 37	44,028	1	9	12	17	3	----	42
Franklin	68,393 54	172,561	3	7	3	9	----	----	25
Fayette	1,300 00	4,200	----	1	1	----	----	----	2
Geauga	250 00	200	2	----	----	----	----	----	2
Gallia	3,800 50	10,200	1	----	2	2	----	----	5
Greene	32,772 33	90,751	----	3	13	8	----	----	24
Guernsey	1,200 00	2,600	----	1	1	----	----	----	2
Huron	13,506 77	34,500	1	2	8	4	12	4	15
Hamilton	464,516 51	1,129,395	7	21	33	73	----	----	150
Hardin	200 00	480	----	----	1	----	----	----	1
Harrison	14,075 00	40,260	15	12	15	----	----	----	42
Holmes	6,724 58	18,620	2	4	3	1	----	----	10
Henry	1,500 00	3,060	----	----	----	1	----	----	1
Jefferson	4,440 00	11,750	----	1	1	3	----	----	5

Counties.	Investments.	Securities.	300 and less.	500 and less.	1,000 and less.	5,000 and less.	10,000 and less.	Over 10,000.	Aggr'te of loans.
Jackson	$1,000 00	$3,000	----	----	1	----	----	----	1
Knox	19,575 90	55,950	5	8	1	14	----	----	28
Licking	275 00	750	1	----	----	----	----	----	1
Lorain	6,822 73	19,018	8	3	2	----	----	----	13
Logan	857 10	4,300	1	1	1	----	----	----	3
Lucas	15,781 00	36,245	----	----	1	----	----	----	1
Miami	14,061 10	53,137	11	2	12	2	----	----	27
Madison	5,163 64	10,535	----	2	1	----	----	----	3
456 Marion	14,349 18	17,169	1	----	7	3	----	----	11
Morgan	1,850 00	6,476	----	----	----	1	----	----	1
Monroe	2,600 00	4,600	2	2	1	----	----	----	5
Montgomery	39,757 67	113,204	5	4	8	9	----	----	26
Muskingum	2,550 00	9,440	----	----	1	2	----	----	3
Medina	1,447 25	5,500	1	3	----	----	----	----	4
Mercer	1,775 00	5,500	1	1	1	1	----	----	4
Ottawa	500 00	1,000	----	1	----	----	----	----	1
Paulding	1,200 00	2,400	1	----	1	----	----	----	2
Pickaway	57,900 00	154,026	2	9	14	1	----	----	26
Preble	4,400 00	16,649	2	4	1	----	----	----	7
Portage	8,650 00	22,906	1	1	----	2	1	----	5
Perry	1,242 00	3,729	1	----	1	----	----	----	2
Pike	2,500 00	5,500	----	----	----	1	----	----	1
Ross	29,914 69	95,360	3	2	2	4	6	----	17
Richland	3,140 60	9,405	----	3	3	----	----	----	6
Sandusky	7,691 74	20,053	4	1	2	1	----	----	8
Shelby	3,160 00	6,850	8	3	1	----	----	----	12
Sciota	9,800 00	20,350	----	----	2	1	----	----	3
Seneca	34,004 00	100,815	10	7	14	6	----	----	37
Starke	27,360 00	119,809	4	4	3	12	----	----	23
Trumbull	1,000 00	3,000	----	----	1	----	----	----	1
Tuscarawas	13,464 58	48,201	1	2	1	2	----	----	6
Union	3,800 00	14,918	----	1	1	1	----	----	3
Van Wert	2,600 00	6,195	----	1	1	1	----	----	3
Vinton	5,600 00	13,500	----	----	----	1	----	----	1
Wayne	3,050 00	21,760	----	----	3	1	----	----	4
Williams	3,500 00	7,000	----	----	----	1	----	----	1
Wood	4,796 49	13,593	----	2	5	----	----	----	7
Warren	45,279 75	143,713	6	7	9	12	----	----	34
Washington	1,000 00	4,400	2	----	3	----	----	----	5
Wyandotte	1,000 00	2,600	----	----	1	----	----	----	1
	1,422,331 62	3,887,420	----	----	----	----	----	----	927

457 The estimated value of the real estate mortgaged is 3,887,420.

The number of loans on which interest is due and unpaid is 396.

The aggregate amount of loans, on which interest is due and unpaid is $539,220 00.

The number of loans on which suits have been commenced or directed is $.

The aggregate amount of loans on which suits have been commenced or directed is $.

The reports made upon the subject are not sufficient to enable the trustees to state precisely the amount upon which judgments or decrees are had.

II. The amount without interest of loans to individuals, not secured by bonds and mortgages, or pledges of stock, is $17,063 34, which is payable as follows: $1,450 on demand; and $15,613 34 six months and over, of which $200 is delinquent for interest.

III. The amount without interest of loans secured by pledge of stocks is $258,756 13.

The following table shows—

1st. The kind of stocks. 2. The number of shares. 3. The par value of each. 4. The amount loaned on each. 5. The amount due on demand, and on six months time and less, and the amount due for a longer time than six months:

Kinds of stock.	Amount loaned.	No. of shares.	Par value.	Market value.	Amount on demand.
Ohio Life Ins. and Trust Co.	$71,345 07	745	100	.....	$71,345 07
Bonds city of Covington	14,000 00	11	1,000	.....	14,000 00
Stock Washington Ins. Co.		245	25	.....	
" Kentucky Trust Co. B'k.	10,000 00	100	100	.....	10,000 00
" Washington Ins. Co.		49	25	.....	
" Cin., Ham. and Day. RR.	57,800 00	831	100	.....	57,800 00
" Ohio and Miss. RR.	8,000 00	500	50	.....	8,000 00
" Cin. Fuel Co.	600 00	240	5	.....	600 00
" Farmers' Bank Ky.	13,000 00	140	100	.....	13,000 00
" Little Miami RR.	6,000 00	184	50	.....	6,000 00
" Cleveland and Pittsburg RR	6,315 00	240	50	.....	6,315 00
" Cin., Col., and Cleveland RR	2,000 00	40	100	.....	2,000 00
" Cin. Hills. RR.	.....	600	50	.....	
Bonds Cin., Ham. and Day. RR.	38,000 00	25	1,000	.....	38,000 00
" city of Dayton	1,000 00	14	100	.....	1,000 00
" " " Cincinnati.	16,000 00	17	1,000	.....	16,000 00
" Toledo and Illinois RR.	14,696 06	15	1,000	.....	14,696 06
	258,756 13	.....	.....	.....	258,756 13

In addition to those secured by pledges of stocks, loans have been made on notes secured by mortgage on real estate amounting to $425,532 56. The estimated value of these securities is $580,363 00.

IV. The loans made in this department upon personal security only amount to $17,063 34.

V. The amount of deposit in this department other than those for accumulation is $920,621 31.

The deposits for accumulation at 4½ to 5 per cent. interest amount to $326 12—the time of payment depending on the duration of life.

The deposits for 2 to 12 mo., at 3 to 4½ per cent., amt. to 299,566 43; do. for 20 mo., at 4½ per cent., amt. to 200,000 00; do. for 20 mo., at 5½ per cent., amt. to 421,381. The number of depositors is 568.

VI. Of the banking department:

1. The deposits in this department as capital am't to.... $511,000 00

Whereof, deposited by Phœnix B'k, N. York, for 20 years from 18 Dec., 1834, int. 4½ per cent. per annum..... 200,000 00

Deposited by Bank U. S., for 20 years from 23 Dec., 1835, interest 5 per cent. per annum..... 311,000 00

As above..... 511,000 00

2. The amount of other deposits subject to be withdrawn on demand is		937, 293 17
3. The loans made by this depart. am't to		1, 627, 548 28
Viz: The amount loaned on securities other than notes and bills is		25, 700 00
Kind of securities pledged: $1,600 of Illinois and Michigan canal land certificates; 80 shares stock Cin., Ham. and Day. RR.; $3,500 stock Ohio and Miss. RR.; 40 shares Eaton and Hamilton RR.; 200 shares stock Little Miami RR.; 50 shares stock Ohio Life Ins. and T. Co.; 20 shares stocks Farmers' B'k of Kent'ky.		
The amount loaned on notes payable in Cincinnati, not having more than 100 days to run is		139, 233 81
The amount loaned on bills of exch'ge is		1, 076, 767 10
Bills receivable is loans heretofore made in this department and extended, being secured by mortgage and other collateral securities		51, 118 48
460 Suspended debt and judgments (for particulars of which see sections 8 and 9)		334, 728 89
As above		1, 627, 648 28
Of the amount of bills of exchange stated there is payable:		
In New York		802, 652 77
In Boston		13, 850 00
In Philadelphia		7, 000 00
In Baltimore		9, 991 56
In New Orleans		44, 228 92
In Ohio		61, 305 94
In Indiana		12, 252 24
In Kentucky		101, 927 46
In St. Louis		6, 047 68
In Virginia		2, 462 47
In Pittsburg		4, 831 06
In Michigan		10, 217 00
In all		1, 076, 767 10

No part of the above had a currency exceeding six months.

4. The amount of cash on hand is as follows:		
1. American gold		9, 386 50
2. Foreign gold		705 47
3. Silver, $11,888 84; copper, $300		12, 188 84
4. Notes of other banks, viz:		
Southern bank notes		32, 485 00
Ohio and western do		223, 212 00
Eastern do		10, 692 00
		266, 389 00
5. Cash items (checks on other banks, &c.)		12, 420 06
In all		301, 089 87

461 5. The amount of the company's notes in circulation is as follows, viz:

Of the denomination of 5's	$940 00
Do.....do.....10's	850 00
Do.....do.....20's	440 00
Do.....do.....50's	100 00
Do.....do.....100's	1,300 00
In all	3,630 00

6. The amount due from other banks is 94,202 74

No part of which is on interest.

7. The amount received from discount is	101,792 17
Premiums of exchange	89,196 43
Commissions	.....
Interest on deposits made by the company	.....
Damages on returned bills	1,402 63
Together	192,391 23

8. The amount of suspended debt remaining due 30 days or longer is $334,150 45, and the amount of interest due thereon is 14,662 19.

9. The judgments for loans in this department amount to $578 44. The amount upon which suits are pending or have been ordered is $87,004 10, which amount is included in amount of suspended debt.

VII. There are no loans in the banking department to money corporations. There are no loans in the insurance and trust departments to money corporations.

462 VIII. The amount of suspended debt in the insurance and trust department is $41,789 42.

IX. The amount of stock owned by the company is $469,900, viz: 25 bonds of $1,000 each, entitled Clarke County bonds, bearing seven per cent. interest, payable semi-annually, redeemable in 1866, amounting to $25,000, which cost the company $21,250. The market value of these bonds uncertain. 242 bonds of $100 each, entitled Knox County bonds, bearing six per cent. interest, payable annually, redeemable in 1867, amounting to $24,200, which cost the company $18,150. The market value of these bonds uncertain. 22 bonds of $1,000 each, entitled bonds First Pennsylvania Society, payable annually in instalments of $3,000, on the first day of April of every year during their continuance, amounting to $22,000, which cost the company $11,644 72. The market value of these bonds uncertain. 10 bonds of $1,000 each, entitled bonds of Decatur County, Indiana, bearing six per cent. interest, payable semi-annually in New York, redeemable in 1871, amounting to $10,000, which cost the company $8,000. The market value of these bonds uncertain. 15 bonds of $1,000 each, entitled bonds of the city of Dayton, bearing seven per cent. interest, payable semi-annually at Dayton, Ohio, redeemable in 1859, amounting to $15,000, which cost the company $14,100. The market

463 value of these bonds uncertain. 125 bonds of $1,000 each, entitled Junction railroad bonds, bearing interest at the rate of ten per cent. interest, payable semi-annually in the city of New York, redeemable in1 863, amounting to the sum of $125,000, which cost the company $125,000. The market value of these bonds uncertain. 30 bonds of $500 each, entitled bonds of the township of Dayton, Montgomery County, Ohio, bearing interest at the rate of seven per cent. per annum, payable semi-annu-

ally in the city of New York, redeemable in 1864, amounting to $15,000, which cost the company $13,125. The market value of these bonds uncertain. 1 bond of the city of Cincinnati bearing interest at the rate of six per cent. per annum, payable semi-annually in the city of New York, redeemable in 1870, amounting to $1,000, which cost the company $900. The market value of these bonds is uncertain. 4 bonds of $1,000 each, entitled bonds of city of Covington, Kentucky, bearing interest at the rate of six per cent. per annum, payable semi-annually in the city of New York, redeemable in 1865, amounting to the sum of $4,000, which cost the company $3,200. The market value of these bonds uncertain. 200 bonds of $1,000 each, entitled bonds Cincinnati, Hamilton, and Dayton railroad, bearing interest at the rate of seven per cent. per annum, payable semi-annually in the city of New York, redeemable in 1880, amounting to $200,000, which cost the company $180,000. The market value of these bonds
464 uncertain. 30 bonds of $1,000 each, entitled bonds of Mansfield and Sandusky railroad, bearing interest at the rate of seven per cent. per annum, payable semi-annually in the city of New York, redeemable in 1860, amounting to $30,000, which cost the company $25,000. The market value of these bonds uncertain. 250 shares of $100 each, of the capital stock of the Cincinnati, Hamilton, and Dayton railroad, amounting to $25,000, which cost the company $25,400 The market value of this stock uncertain. 14 shares of $50 each, of the capital stock of the Madison, Indianapolis, and Peru railroad, amounting to $700, which cost the company $500. The market value of this stock uncertain.

X. The real estate owned by the company and purchased for the transaction of its business is part of M. lot No. 109, corner of Main and Third streets, city of Cincinnati, say 42 ft. 6 inches, in front on Main street, and 100 ft. on Third street. The amount paid for the ground is $26,867 79. The amount expended for building and other improvements thereon was $52,630 48, making the value as estimated in the 9th annual report $79,498 27. It now stands charged on the books at $35,000. The original building and improvements have been removed, and a new building is being erected in their stead. The company in the mean time are occupying for the transaction of its business a part of the Duhme Buildings, on
465 south side of Third street between Main and Walnut streets, at a rent of $1,200 per annum. The following real estate has been taken by the company in settlement of debts within the past year viz: Lots number thirty-five, thirty-six, thirty-seven, and thirty-eight, on the plan of subdivision made and recorded by John Clever Symmes, bounded north by Symmes street, east by Butler street, south by Congress street, and west by the west lines of said lots. Also lot No. 2, on the map of Ramsay and Wade's subdivision. Also two lots of land in Cincinnati, known as lots No. three and five, containing 7 60-100 acres, each on plat "F," of the subdivision of David E. Wade's real estate.

XI. The cash of the company is deposited in the banking department, and drawn thence by checks signed by the secretary. The balance sheet and monthly statement, No. 240, herewith submitted, show particularly the situation of the cash of the company.

XII. In addition to the assets set forth in the previous annual reports, the company have sundry notes, bills, and stocks charged to profit and loss, amounting to $886,876 96, which are not included in the amount of debts due to the company as set forth in this report, upon which something may be realized.

XIII. All moneys hitherto received are at the risk of the company.

XIV. The company are the owners of a bond of $11,688 50, dated
466 6th of May, 1844, bearing six per cent. interest, payable ten years from date, secured by county taxes, given by the commissioners of

Fairfield County, upon the purchase of $12,750 of the notes of the Urbana Banking Company. The company are also the owners of three bonds of $5,000, each dated 1st May, 1847, bearing eight per cent. interest, payable semi-annually, and payable ten years after date, secured by city taxes, issued by the city of Dayton, and purchased by this company of Joseph Torrence.

XV. The banking department has made collections for others as follows, to wit:

In Cincinnati	$7, 058, 480 00
Ohio out of Cincinnati	107, 897 00
Indiana	36, 332 00
Kentucky	50, 230 00
Missouri	2, 265 00
Virginia	3, 468 00
Maryland	4, 233 00
Pennsylvania	1, 330 00
Louisiana	16, 240 00
New York	44, 592 00
Michigan	2, 546 00
In all	7, 327, 613 00

The collections are made at the following rates of exchange, viz: in Cincinnati no exchange; Ohio, Kentucky, and Missouri, 1 per cent.; Indiana, 1 to 1½ per cent.; Pennsylvania, (out of Philadelphia,) ½ per cent.; Louisiana, par; Virginia, 1 and 1½ per cent.; New York and other eastern cities, par to 1 per cent. per annum.

467 XVI. The amount of exchange purchased is as follows, to wit:

On New York and New England States	$3, 242, 951 00
Pennsylvania	175, 235 00
Maryland	275, 653 00
Ohio	293, 328 00
Indiana	47, 923 00
Kentucky	251, 172 00
Virginia	47, 134 00
Michigan	5, 767 00
Missouri	34, 618 00
New Orleans	120, 250 00
In all	4, 494, 031 00

The above comprises sight bills purchased, in addition to which the company has bought bills of exchange, having time to elapse before maturity, as follows:

On New York and New England States	$5, 869, 706 00
Pennsylvania	253, 731 00
Maryland	216, 094 00
Ohio	28 , 104 00
Kentucky	549, 738 00
Indiana	239, 523 00
Virginia	29, 280 00
Missouri	53, 170 00
Michigan	40, 773 00
New Orleans	457, 920 00
In all	7, 997, 039 00

468 The amount of exchange sold is as follows, to wit:

On New York ¼ at 1¾ prem.	$8, 253, 864 27
On Philadelphia ¼ at 1½ prem.	420, 587 67
On Baltimore ..... do	272, 787 26
On Ohio, par	112, 692 71
On Kentucky, par to ¼ prem.	118, 533 62
On Indiana, par	21, 807 12
On Missouri, par to ¼ prem.	24 468 53
On New Orleans, par to 1 prem.	626, 333 14
In all	9, 851, 074 32

XVIII. A list of the names of persons having balances of accounts amounting to $5 and upwards lying in the hands of the company for a year and longer without change, and without any special contract for the contiuance thereof, and the amount at the credit of each:

Albro, Henry	$6 27
Andrews, J. O	20 00
Armstrong, A. E.	90 00
Ames, Nathan	10 99
Alexander, J.	565 00
Allen & Co	10 67
Barnet, William	35 00
Beny, N. S.	7 32
Bodly, P. P. & F. J.	10 00
Baker, F. L.	2 50
Bates, Joshua H.	8 36
Bell, G. P.	54 40
Bruce, H. L.	5 00
Brisbane, A. H.	6 54
Boardman, J.	25 00
Buckingham, M.	6 56
Browne, B. S.	125 33
Beer, J. D.	25 00
Birmingham, F.	18 70
Biggs, F. R.	39 39
Bowler, R. B.	12 33
Brown, A. J.	10 52
Burrow, J. P. & Co.	46 68
Ballauf, W.	29 65
Baxter, J. M.	110 00
469 Buckingham, H. M.	25 00
Cohn, Aaron	562 00
Cochran, John & Co.	10 61
Cameron, Wm.	10 37
Cassilly, M. P.	49 97
Crain, J. A.	15 77
Cox, H.	9 00
Conwell, A. B., & Sons	71 19
Cox, R. S.	572 00
Davis, Este	16 54
Dodge, J. S.	8 71
Dunham, Josiah J.	10 00
Fry, John.	30 00
Fell, F. H.	784 00

	Fell, Christian	$35 16
	Ferris, Andrew	10 00
	Farran, Samuel	98 40
	Gaylord, F. G.	34 42
	Glover, Lavina	41 00
	Green, W. P	13 49
	Gano, J. P.	119 40
	Glasco & Harrison	5 01
	Galloway, James	20 00
	Holland, D. P	13 37
	Hills	44 44
	Harton & Baker	5 60
	Hurd, David	8 00
	Hatch, M. S	7 22
	Hopper, Peter	100 00
	Hopple, C.	402 00
	Hoyt, J. C.	9 70
	Higdon, Josiah	6 87
	Hoffman, Jacob	7 13
470	Huff, John	5 37
	Iglehart, J. T.	12 39
	Ingal, Wm., ag't	34 26
	Jones & Armstrong	51 41
	Kane, M.	50 00
	Kendall, M.	50 00
	Kerns, H.	15 64
	Leper, Andrew	6 73
	Lawson, F. & Bro	43 45
	Lewis, C.	13 68
	Levi, M.	6 63
	Ludlow & Swift	5 14
	L'Hommedieu, R. F.	222 40
	McLean & Co	9 40
	Miller, S. R., sec'y	56 32
	McLean, N. C., assignee	11 77
	McCullough, Jas.	8 89
	Mercer, O. F	46 39
	Melendy, John	8 44
	Mitchenson, A.	14 00
	Miner, A., & Co	5 48
	Miller, N. G.	9 29
	Marchant, J.	20 59
	McCafferty, John	7 20
	Moore, W., & Co	50 00
	Martin, John T.	895 00
	Morris, Wm. R	71 33
	Martin, J. S.	89 00
	Phillips, H. G.	28 25
	Patterson, John	15 31
	Pearson, W.	28 32
	Pugh, L. N.	16 51
	Patterson, Rob't	6 97
	Poyntz, W. & N	14 82
	Preston, May E.	12 00
	Preston, John	8 68
	Preston, Fred	5 00

Pryor, Gilbert	$17 81
Pool, Thomas	17 26
Powell, D. A	528 89
Reakert, J. & C	30 00
Regley, John	19 23
Rentz, Joseph	170 37
Rilva, John	448 00
Ringo, Wm	7 34
Robinson, Dan'l	10 95
Roll, Isaac	31 80
Richardson, A. G	301 00
Stephen, Israel	8 57
Silver, George	10 35
Smith & Ballard	15 01
Snider, Phillip J	25 00
Smith, Howard J	78 06
Swain, Wm	25 00
Smith, Eliz	25 07
Scovill, A. D	10 67
Thomas, W	10 51
Tetteson, E. U	7 11
Umberger. S. W	5 55
Vaughn, J. C	6 20
Wallace	44 44
Walker, John	9 82
Walker, M. W	5 63
Webb, W. F	241 59
Whittlesey, E	17 16
Wright, Coffin & Miner	8 66
White, M., treas	6 87
Widmer, David	9 00
Wilson, John	31 34
Wood, Thos. R	8 34
Winder, Gibbons & Spear	14 49
Wiggins, Samuel	47 50
Warrington, Geo	9 07
Wright, M. B	9 25
Williams, J. Milton	9 76

XVIII. Balance sheet of the affairs of the banking department.

471 Debtor accounts:			
Notes payable in Cincinnati	$164, 933 81		
Bills of exchange, see 6th sec	1, 076, 767 10		
Bills receivable	51, 118 48		
Suspended debt	334, 150 45		
Judgments	578 44		
		$1, 627, 548 28	
Expense account		5, 917 62	
Interest		10, 439 93	
Funds in transitu		15, 608 00	
Real estate		23, 002 21	
Trust department		2, 136 51	
Due from banks in Ohio	13, 066 15		
Indiana	27, 675 65		
Kentucky	26, 011 32		

Due from banks in Virginia	$13,507 64	
Maryland	2,029 52	
Michigan	4,042 07	
Missouri	7,870 39	
		$94,202 74
Cash in bank, viz.		
Notes of various banks	266,389 00	
Gold, silver, and copper	22,280 81	
Cash items	12,420 04	
		301,089 87
Total		2,079,945 16
Creditor accounts:		
Deposits for twenty years		511,000 00
Notes in circulation		3,630 00
Profits, viz: from discounts	28,838 50	
damages on returned bills	673 67	
exchange	28,745 68	
int. on bills receivable	1,705 36	
		59,963 21
Suspense account		15,473 63
Certificates of deposit		73,874 68
472 Deposits by individuals		831,944 86
State of Ohio		16,000 00
Due to banks in Ohio	33,722 46	
Indiana, due to b'ks in	78,266 67	
Due to banks in Kentucky	7,173 34	
Virginia	6,710 62	
Pennsylvania	26,692 04	
Missouri	1,508 25	
New Orleans	15,405 94	
New York	6,532 36	
New England States	5,994 50	
		182,006 18
Due to N. Y. agency, C. W. Rockwell, cas		385,312 60
Bills payable		740 00
Total		2,079,945 16
Balance sheet trust department:		
Bank capital		$511,000 00
Beal estate ac		92,755 27
Bills No. 1		27,762 66
Bills No. 2		11,406 18
Contingent taxes		11,412 82
Fairfield County		11,688 50
Bonds and mortgages		1,422,331 62
Bonds Clark County		21,250 00
Bonds city of Dayton		29,100 00
Bonds city of Cincinnati		900 00
Bonds city of Covington		3,200 00
Bonds Knox County		18,150 00

Bonds Cin., Ham., and D'n R'd	$180,000 00
Bonds Decatur County	8,000 00
Junction RR	125,000 00
M. and S. RR	25,000 00
473 Dayton Township	13,125 00
Pres. church	11,644 72
Stock C., H., and D. RR	25,400 00
Stock M., J., and P. RR	500 00
Bills receivable	701,332 03
Suspended debt	41,789 42
Int. dep. in trust	10,355 98
Expense ac	137 18
Salary ac	2,833 28
	3,306,074 66

Capital stock	2,000,000 00
Trust accumulation	326 12
Prem. ins. on life	36,194 00
Cert. dep. on trust	920,621 31
Dividend 17	40 00
23	36 00
25	8 00
30	16 00
31	16 00
32	493 50
Surplus fund	242,825 87
Int. bond and mortgages	30,806 39
Bills receivable	11,405 03
Rents	633 55
Profit and loss income	207 10
Deferred interest	31,721 44
Miscellaneous account	26,883 01
Banking department	3,841 34
	3,306,074 66

Report No. 240, of the concerns and business of the Ohio Life Insurance and Trust Company for the month ending with the thirty-first day of October, anno Domini one thousand eight hundred and fifty-four, taken from the books of the institution.

1. Funds under charge of committee of investments:

Capital stock for loans on bonds and mort's		$2,000,000 00
Invested in bonds and mort's	$422,331 62	
" " real estate purch'd under decrees on loans of capital	11,009 72	
Balance uninvested	566,658 66	
		$2,000,000 00
Estimated value of lands pled'd	3,887,420 00	
2. The am't of certs. deposited in trust and now out is		920,621 31

The receipts on which are appropriated viz: Deposited by Phœnix B'k on b'k capital, $200, 000; dep, by B'k U. S., 311, 000	$511, 000 00		
Twenty years dep. in trust	110, 381 00		
Deposits under twelve months.	291, 240 31		
		$920, 621 31	
474 3. Funds under charge of committee of finance:			
Trust of accumulation	326 12		
Prem's ins. on life	36, 194 00		
Dep't in trust under 12 months.	299, 240 31		
Int. rec'd on all acc'ts trust dep't.	42, 211 42		
Rents from real estate	633 55		
Profits and loss income	207 10		
Deferred interest	31, 721 44		
Surplus fund	242, 825 87		
Am't over to balance	59, 660 72		
			$713, 020 53
Loaned on stocks and real estate	701, 332 03		
" " county taxes	11, 688 50		
		713, 020 053	
4. Disbursed in trust department:			
Loaned on bonds and mort's	1, 422, 331 62		
" " stocks and real estate	701, 332 03		
" " county taxes	17, 688 50		
Bills rec., No. 1	27, 762 66		
Do. 2	11, 406 18		
Invested in real estate	92, 755 27		
Contingent taxes	11, 412 82		
Bonds of Clark County	21, 250 00		
city of Dayton	29, 100		
city of Cincinnati	900		
city of Covington	3, 200		
Knox County	18, 150		
Cin., H., and D. RR	180, 000		
Decatur County, Ind.	8, 000		
Junction RR	125, 000		
Dayton Township	13, 125		
475 First Pres. Church	11, 644 72		
M. and S. RR	25, 000		
Stock Cin., Ham., and D. RR.	25, 400		
M., J., and P. RR	500		
Suspended debt	41, 789 42		
Int. dep. in trust	10, 355 98		
Expense and salaries	2, 970 46		
		2, 795, 074 66	
5. Disbursed from the following funds:			
Capital stock	2, 000, 000		
Twenty-year deposits	110, 381		
Deposits under 12 months	299, 240 31		
Trust of accumulation	326 12		
Prem. ins. on life	36, 194		
Int. on bonds and mortgages	30, 806 39		
bills receivable	11, 405 03		

Rents from real estate.....	$633 55		
Profit and loss income.....	207 10		
Deferred interest.....	31, 721 44		
Surplus fund.....	242, 825 87		
Miscellaneous account.....	26, 883 01		
Dividends unpaid.....	609 50		
Banking department.....	3, 841 34		
			$2, 795, 074 66
6. General ac. profit and expenses:			
Int. rec'd on bonds and mort's..	30, 806 39		
bills receivable.....	11, 405 03		
Rents from real estate.....	633 55		
Profit and loss income.....	207 10		
Discounts, &c., in b'k'g depart..	59, 963 21		
			103, 015 28
Expenses and salaries, do., do..	16, 357 55		
Do. do. trust do..	2, 970 46		
Interest deposits in trust.....	10, 355 98		
		$29, 683 99	
Nett profits.....		73, 331 29	
		6, 531, 731 78	6, 531, 731 78

476 1. The amount of capital stock is $2,000,000. The number of stockholders owning the same is 528. The number of stockholders residing out of the State is 478. The amount of stock held by them collectively is $1,817,200. The number of stockholders residing in the State other than trustees is 36. The amount of stock held by them collectively is $107,400. The number of trustees residing in the State is 14, of whom one owns $10,000, one $5,400, and twelve own each $5,000. The amount of loans to said trustees is $199,754. The amount of loans to stockholders, other than trustees is $——.

2. The amount of money deposited in trust by order of court of chancery or probate, to be invested and kept at the risk of the company, all of which is on trust of accumulation, is $326 12.

3. The amount of deposits by persons and companies other than monied corporations in trust, to be invested and kept at the risk of the company, is $299,566 43, of which $326 12 is in trust of accumulation.

4. The amount deposited by banks, to be invested and kept at the risk of the company, no part of which is on trust of accumulation, is $511,000, of this sum one has deposited $311,000 and one $200,000.

5. The company is not liable for any amount as guardian of the estate of infants.

6. There is nothing due for life insurance which has not been paid after death has happened.

7. The company is not liable for any amount as receiver.

8. The following table shows the amount received for premiums on life insurance, where the persons whose lives are insured are still living. The number of lives remaining insured; the average length of time those lives will continue according to the table used by the company; the amount
477 of premiums payable annually to the company on these insurances, and the amount which will become due from the company upon the death of the persons whose lives are insured.

No.	Age.	Amount insured.	Premiums payable annually.	Whole amount of premiums paid.	
1	58	14.15	$2,000	$68 00	$12 92
1	70	8.60	5,000	313 50	43 89
2	57	14.63	3,600	125 22	1,589 08
1	54	16.02	3,000	102 00	1,326 00
3	40	23.08	11,000	271 80	1,858 80
3	33	26.72	13,000	236 55	1,464 05
2	32	27.24	6,000	131 50	377 00
4	37	24.64	12,000	157 60	736 80
8	42	22.04	12,300	273 87	899 75
2	43	21.54	5,800	165 74	850 94
1	64	11.35	1,000	43 40	260 40
3	47	19.51	10,000	245 00	1,307 50
1	53	16.54	1,000	19 20	115 20
2	35	25.68	3,500	63 02	270 66
2	41	22.56	5,000	70 88	396 40
3	31	27.76	8,000	90 20	436 80
4	39	23.60	16,000	249 40	776 30
2	44	21.03	6,000	178 20	891 00
1	46	20.02	1,500	47 40	237 00
3	28	29.30	7,500	84 60	142 60
2	56	15.10	8,000	286 70	925 90
4	48	19.00	9,000	162 20	557 80
1	34	26.20	5,000	62 00	248 00
2	45	20.52	10,000	244 50	805 00
3	36	25.16	3,000	49 44	130 88
1	30	28.27	5,000	59 00	118 00
1	22	32.39	4,000	69 60	69 60
1	52	17.02	5,000	231 00	231 00
1	50	17.99	4,000	74 80	74 80
65	.....	.....	186,200	4,176 52	22,778 26

9. There is nothing due for arrears of annuities.

10. There has been nothing received upon the sale of annuities during the last twelve months.

11. The amount of dividends due and unpaid is $7,753, viz: in Cincinnati $609 50; in New York, $7,143 50.

12. Nothing has been received in trust to be invested and kept at the risk of the depositors.

13. There are no debts or demands against the company other than those herein set forth.

14. The debts due the company for loans or otherwise are believed (with few exceptions) to be collectable. On the first Monday of January, eighteen hundred and fifty-four, a dividend of four per cent. on the capital stock of the company was declared, amounting to eighty thousand dollars, on which a tax of five per cent. was paid, amounting to four thousand dollars; and on the first Monday of July last a dividend of three and one half per cent. on the capital stock of the company was also declared, amounting to seventy thousand dollars.

Trustees' names and residences.—George Luckey, Cincinnati, Ohio; Samuel

Fosdick, do.; John C. Wright, do.; Abraham M. Taylor, do.; Charles Stetson, do.; Sylvester C. Parkhurst, do.; Samuel J. Broadwell, do.;
479 George T. Steadman, do.; Clement Dietrich, do.; Nathaniel Wright, do.; George Crawford, do.; Charles G. Enyart, do.; Samuel B. Keys, do.; Samuel Forrer, Dayton, Ohio; Robert Bayard, New York City; George S. Coe, do.; J. B. Hosmer, Hartford, Conn.; Samuel E. Foote, New Haven, Conn.

The trustees, as required by the 9th section of the charter, are arranged in classes as follows:

1. John C. Wright, Abraham M. Taylor, Samuel E. Foote, and George S. Coe; term expires 30 September, 1856.

2. Nathaniel Wright, George Crawford, Samuel B. Keys, 1 out; term expires 30th September, 1858.

3. Charles Stetson, J. B. Hosmer, George S. Stedman, and Charles G. Enyart; term expires 30th September, 1860.

4. R. Bayard, S. C. Parkhurst, S. J. Broadwell, 1 out; term expires 30th September, 1862.

5. Samuel Forrer, Samuel Fosdick, George Luckey, C. Dietrich; term expires 30th September, 1864.

Officers' names.	Residences.	Salaries.
Charles Stetson, president	Cincinnati	$4,000
Charles W. Rockwell, cashier	New York	3,000
Edwin Ludlow, ass't cashier	do	2,000
William Greene, secretary	Cincinnati	2,000
Sam'l P. Bishop, ass't cashier	do	2,000
Vacher Worthington, solicitor	do	1,200
G. W. Rice, bookkeeper	do	1,300
480 James R. Lyle, bookkeeper	do	1,500
A. Baldwin, teller	do	1,200
Geo. Eustis, do	do	1,100
H. B. Bissell do	do	800
J. H. Hewson do	do	700
A. Macdonald, bookkeeper	do	1,000
A. N. Nichols do	do	1,000
O. Ballard do	do	600
A. N. Hood do	do	720
Jas. F. Irwin, disc't clerk	do	900
A. Hough, messenger	do	500
J. C. Brigham, do	do	450
Wm. Jordan, porter	do	180

Agents' names and residences.—C. L. Latimer, Norwalk, Huron County, Ohio; Peter Odlin, Dayton, Montgomery, do.; C. Dewry, Cadiz, Harrison, do.; T. Corwin, Lebanon, Warren, do.; Windon & Norton, Mt. Vernon, Knox, do.; G. M. Parsons, Columbus, Franklin, do.; C. W. Learle, Zanesville, Muskingum, do.; S. M. Tracy, Portsmouth, Scioto, do.; Joseph Sill, Chillicothe, Ross, do.; John Garaghty, Lancaster, Fairfield, do.; D. L. Collier, Steubenville, Jefferson, do.; A. Galloway, Xenia, Greene, do.; S. D. King, Newark, Licking, do.; C. Anthony, Springfield, Clarke, do.; R. Patterson, Bellefontaine, Logan, do.; C. W. Olds, Circleville, Pickaway, do.; L. Perry,
481 Gallipolis, Gallia, do.; D. A. Starkweather, Canton, Starke, do.; T.

D. Webb, Warren, Trumbull, do.; C. P. Wolcott, Akron, Summit, do.; L. Stem, Tiffin, Seneca, do.; E. T. Wilder, Painesville, Geauga, do.; D. Putnam, Marietta, Washington, do.; W. T. Gilmore, Eaton, Preble, do.; J. T. Fishback, Batavia, Clermont, do.; G. A. Brigham, New Philadelphia, Tuscarawas, do.; Foot & Hoyt, Cleveland, Cuyahoga, do.; John M. Lewis, Hamilton, Butler, do.; M. Penington, St. Clairsville, Belmont, do.; W. R. Norris, Cincinnati, Hamilton, do.

At a meeting of trustees held on the day of December, 1854, it was resolved that the trustees having heard the statement of the affairs of the company, as they stood on the last day October, 1854, prepared by the president, secretary, and cashier, in compliance with the order of the supreme court, approve the same and direct the president to sign and transmit it to the supreme court, in behalf of the trustees.

THE STATE OF OHIO, *Hamilton County:*

Charles Stetson, president of the Ohio Life Insurance and Trust Company, being duly sworn, deposeth and sayeth that the matters contained in the foregoing statement of the affairs of said company, prepared in compliance with the order of the supreme court of the 19th January, 1846, are, to the best of his knowledge and belief, true.

Sworn to and subscribed this day of December, 1854.

482 THE STATE OF OHIO, *Hamilton County:*

William Greene, secretary of the Ohio Life Insurance and Trust Company, being duly sworn, deposeth and sayeth that the matters contained in the foregoing statement of the affairs of the company, prepared in compliance with the order of the supreme court of the 19th January, 1846, are, to the best of his knowledge and belief, true.

Sworn to and subscribed this day of December, 1854.

THE STATE OF OHIO, *Hamilton County:*

Samuel P. Bishop, assistant cashier of the Ohio Life Insurance and Trust Company, deing duly sworn, deposeth and sayeth that the matters contained in the foregoing statement of the affairs of the company, prepared in compliance with the order of the supreme court of the 19th January, 1846, are, to the best of his knowledge and belief, true.

Sworn to and subscribed this day of December, 1854.

Ex. 110.

483 OHIO LIFE INSURANCE AND TRUST COMPANY,
Cincinnati, November 1st, 1856.

The board of trustees, in compliance with the order of the supreme court of the State of Ohio, of the nineteenth of January, anno Domini eighteen hundred and forty-six, respectfully submit the following statement of the affairs of the company, as they stood on the last day of October, eighteen hundred and fifty-six.

First. Of the insurance and trust department:

I. The amount of capital stock loaned upon bonds and mortgages is $1,309,887 90. In addition to which the company hold real estate, purchased under decrees on loans of capital stock, amounting to $6,009 42, making the aggregate amount of this class of investments $1,315,897 32, exclusive of banking-house, cost $130,000.

The following table shows the aggregate amount of loans in each county, the aggregate value in each county of the lands mortgaged, the same arranged in classes of $300 and less, $500 and less, $1,000 and less, $5,000 and less, $10,000 and less, and all above $10,000, and the aggregate number of loans in each county:

Counties.	Investments.	Securities.	300 and less.	500 and less.	1,000 and less.	5,000 and less.	10,000 and less.	Over 10,000.	Aggregate No. of loans.
Allen	$2,450 00	$6,300	1	2	....	1	....	....	4
Ashtabula	2,200 00	7,500	....	....	1	1	....	....	2
Brown	7,100 00	25,207	1	....	2	3	....	....	6
Butler	117,045 21	319,591	3	....	9	20	5	....	37
484 Belmont	2,889 32	12,960	5	1	1	1	....	....	8
Cuyahoga	85,728 25	213,420	2	3	10	23	....	1	39
Columbiana	7,423 69	25,536	2	3	....	1	....	....	6
Carroll	4,050 00	22,112	9	....	5	....	....	....	14
Clinton	7,500 00	17,980	....	1	....	3	....	....	4
Clermont	27,179 52	72,939	3	....	5	10	....	....	18
Clarke	26,877 67	87,109	....	....	7	1	17	....	25
Champaign	36,832 60	113,656	8	5	9	9	....	....	31
Crawford	2,700 00	7,000	1	....	1	1	....	....	3
Delaware	1,450 00	11,072	2	1	2	1	....	....	6
Darke	4,100 00	17,575	3	1	4	....	....	....	8
Erie	1,660 00	3,320	....	....	1	1	....	....	2
Fairfield	18,964 61	44,028	3	1	1	4	....	....	9
Franklin	60,679 26	169,061	3	7	5	9	2	....	26
Fayette	1,300 00	4,200	....	1	1	....	....	....	2
Geauga	250 00	500	2	....	....	....	....	....	2
Gallia	3,000 00	7,200	1	....	1	2	....	....	4
Greene	29,294 33	86,351	1	1	11	8	....	....	21
Guernsey	1,200 00	2,600	....	1	1	....	....	....	2
Huron	9,805 50	25,400	....	2	7	3	....	....	12
Hamilton	459,600 30	1,111,445	5	17	27	70	13	2	134
Harrison	8,835 00	25,460	11	8	12	1	....	....	32
Holmes	6,122 50	16,740	2	2	2	....	....	....	6
Henry	1,500 00	3,060	....	....	....	1	....	....	1
Jefferson	3,240 00	9,250	....	1	1	2	....	....	4
Jackson	1,000 00	3,000	....	....	1	....	....	....	1
Knox	13,145 90	44,150	5	5	1	13	....	....	24
Licking	275 00	750	1	....	....	....	....	....	1
Lorain	6,400 00	16,710	8	2	2	....	....	....	12
Logan	100 00	600	1	....	....	....	....	....	1
Lucas	15,781 00	36,245	....	....	1	....	....	1	2
Lawrence	20,000 00	45,000	....	....	....	....	....	1	1
485 Miami	10,711 10	44,587	11	1	9	2	....	....	23
Madison	5,163 64	10,535	....	2	1	....	....	....	3
Marion	12,920 03	14,469	1	....	5	3	....	....	9
Morgan	1,300 00	5,300	....	....	....	1	....	....	1
Monroe	1,619 95	4,600	3	1	....	....	....	....	4
Montgomery	37,671 42	106,864	5	3	6	9	....	....	23
Muskingum	2,550 00	9,440	....	....	1	2	....	....	3
Medina	1,447 25	5,500	1	3	....	....	....	....	4
Mercer	1,795 00	5,500	1	1	1	1	....	....	4
Ottawa	500 00	1,000	....	5	....	....	....	....	5
Paulding	1,200 00	2,400	1	....	1	....	....	....	2

Counties.	Investments.	Securities.	300 and less.	500 and less.	1,000 and less.	5,000 and less.	10,000 and less.	Over 10,000.	Aggregate No. of loans
Pickaway	$42,600 00	$118,051	1	9	13	----	----	----	23
Preble	4,200 00	10,649	1	4	1	----	----	----	6
Portage	8,548 75	22,906	1	1	----	2	1	----	5
Perry	1,242 00	3,729	1	----	1	----	----	----	2
Pike	2,500 00	5,500	----	----	----	1	----	----	1
Ross	27,164 69	94,960	2	2	3	3	6	----	16
Richland	2,602 05	6,605	----	3	3	----	----	----	6
Sandusky	6,241 74	17,053	3	1	1	1	----	----	6
Shelby	2,850 00	5,950	6	3	1	----	----	----	10
Scioto	9,800 00	20,350	----	----	2	1	----	----	3
Seneca	322 29	98,165	8	8	12	6	----	----	34
Starke	207 34	100,935	2	4	3	9	----	----	18
Trumbull	1,000 00	3,000	----	----	1	----	----	----	1
Tuscarawas	10,291 38	35,445	4	1	4	3	----	----	12
Union	3,800 00	14,918	----	1	1	1	----	----	3
Vermont	1,600 00	4,000	----	1	----	1	----	----	2
Vinton	5,600 00	13,500	----	----	1	1	----	----	2
Wayne	2,550 00	16,060	----	----	3	1	----	----	4
Williams	3,500 00	7,000	----	----	----	1	----	----	1
Wood	4,296 49	12,553	----	1	5	----	----	----	6
Warren	40,279 75	119,413	3	5	5	12	----	----	25
Washington	700 00	2,600			1		----	----	1
Wyandotte	1,000 00	2,600	----	----	1	----	----	----	1
	1,309,887 90	3,561,164	----	----	----	----	----	----	777

The estimated value of the real estate mortgaged is $3,561,164. The number of loans on which interest is due and unpaid is 258. The aggregate amount of loans on which interest is due and unpaid is $343,923. The number of loans on which suits have been commenced, or directed, is 16. The aggregate amount of loans on which suits have been commenced, or directed, is $14, 250.

The reports made upon the subject are not sufficient to enable the trustees to state precisely the amount upon which judgments or decrees are had.

II. The amount of loans to individuals, not secured by bonds and mortgages, or pledges of stock, is $31,319 67, which is payable as follows: $1,450 on demand, $29,869 67 six months and over.

III. The amount without interest of loans secured by pledges of stocks is $330,244 44.

The following table shows, 1, the kind of stocks; 2, the number of shares; 3, the par value of each; 4, the amount loaned on each; 5, the amount due on demand and on six months time and less, and the amount due for a longer period than six months.

Kind of stocks.	Amount loaned.	No. of shares.	Par value.	Market value.	Am't on demand.
Ohio Life Ins. and Trust Co.	$64,891 55	725	$100	$94	$64,891 55
Bonds city of Covington	14,000 00	11	1,000	90	14,000 00
Stock Washington Insurance Co.		245	25	25	
Do. do	10,000 00	49	25	25	10,000 00
Do. Cin., Ham., and D. RR.		100	100	70	
Do. do	28,200 00	391	100	70	28,200 00
Do. Cin. Fuel Co	600 00	240	5	5	600 00
Do. Farmers' B'k, Ky.	9,000 00	100	100	110	9,000 00
Do. Little Miami RR.	15,200 00	384	50	45	15,200 00
Do. Cleveland C. and C. RR.	500 00	10	100	102	500 00
Do. Xenia and Col. RR.	3,000 00	121	50	45	3,000 00
Do. Memphis Gas Co.	1,000 00	20	100	100	1,000 00
Do. Cin. and Ind. RR.	12,111 34	520	50	34	12,111 34
Do. Merchants' B'k, Cleveland	5,000 00	50	100	110	5,000 00
Do. Cin. Hills. RR		50	50	15	
Do. Cov. and Lex. RR.	3,700 00	50	50	16	3,700 00
Do. Cin. Miss. RR.		50	50	6	
Do. Cin., Hills. RR.		600	50	15	
Do. Bonds Cin., H. and D. RR	38,000 00	25	1,000	84	38 00
Do. Cin. and Hills. RR.	10,000 00	20	1,000	46	10,000 00
Do. Cov. and Lex. RR.	12,000 00	10	1,000	65	12,000 00
Stock Cin., H. and D. RR.		100	100	70	
Bonds Cov. and Lex. RR	10,000 00	20	1,000	65	10,000 00
Do. city Cincinnati.	10,000 00	12	1,000	90	10,000 00
Taxes. do do	8,041 55			100	8,041 55
Railroad iron	75,000 00	*2,800		55	75,000 00
	330,244 44				330,244 44

* Tons.

488 In addition to those secured by pledges of stocks, loans have been made on notes secured by mortgage on real estate amounting to $684,535 56. The estimated value of these securities is $940,289 00.

IV. The loans made in this department upon personal security is $31,319 67.

V. The amount of deposits in this department other than those for accumulation is $779,887 76.

The deposits for accumulation at 4½ to 5 per cent. interest amount to 326 07, the time of payment depending on duration of life.

The deposits for 2 to 12 mo's at 3 to 4½ per cent. amount to $669,506 76.

The deposits for 20 years at 4½ to 5 per cent. am't to $110,381.

The number of depositors is 365.

VI. Of the banking department:

1. Deposits in this department hitherto used as capital being now all repaid, the return under this head is null.

2. The amount of other deposits subject to be withdrawn on demand is $1,329,680 86.

3. The loans made in this department amount to $1,773,698 96.

The amount loaned on securities other than notes and bills is $10,500.

Kind of security pledged:

94 50 shares Ohio Life Insurance and Trust Company stock.

15 100 shares Cincinnati, Wilmington, and Zanesville RR. Co. stock.
6 152 do. Peru and Indianapolis RR. Co. stock.
489 70 50 shares Cincinnati, Hamilton, and Dayton RR. Co. stock
46 4 bonds for $1,000 each of the Hillsboro' and Cincinnati Railroad Co.

The amount loaned on notes payable in Cincinnati, not having more than 100 days to run, is	$354,345 38
The amount loaned on bills of exchange is	1,129,261 58
Bills receivable, being loans heretofore made in this department, and extended, being secured by mortgage and other collateral securities, is	82,703 11
Suspended debt, particulars of which see sections 8 and 9	196,888 89
As above	1,773,698 96

Of the amount of bills of exchange stated there is payable—

In New York	$727,186 31
Boston	9,192 21
Philadelphia	71,009 90
Baltimore	26,223 58
New Orleans	5,541 05
Ohio	54,390 29
Indiana	61,502 22
Kentucky	117,817 16
St. Louis	29,610 39
Virginia	9,477 67
Pittsburg	3,360 27
Michigan	13,950 53
In all	1,129,261 58

No part of the above had a currency exceeding six months.

490 4. The amount of cash on hand is as follows:

1. American gold		$4,787 50
2. Foreign gold		253 74
3. Silver, 13,670 68; copper, 100		13,770 68
4. Notes of other banks, viz;		
Southern bank notes.		
Ohio and western bank notes	$2,441 14	
Eastern bank notes	64 12	
		2,505 26
5. Cash items, (checks on other banks, &c.)		327 31
In all		269,665 23

5. The amount of the company's notes in circulation is as follows, viz:

Of the denomination of 5's	$840
10's	650
20's	440
50's	100
100's	1,300
In all	3,330

6. The amount due from other banks, no part of which is on interest, is	143,483 96

7. The amount received from discounts is	98,805 83
Premiums of exchange	74,725 35
Commissions	
Interest on deposits by the company	
Damages on returned bills	3,339 06
Together	176,870 24

8. The amount of suspended debt remaining due 30 days or longer is $196,888 89, and the amount of interest thereon is $32,244 16.

9. The amount of suspended debt, upon which suits are pending or have been ordered, is $176,725 55, which amount is included in section 8, as above.

491 VII. There are no loans in the banking department to money corporations. There are no loans in the insurance and trust departments to money corporations.

VIII. The amount of suspended debt in the insurance and trust departments is $36,057 94.

IX. The amount of stocks and bonds owned by the company is $577,743, viz: 25 bonds of 1,000 each, entitled Clark County bonds, bearing seven per cent. interest, payable semi-annually, redeemable in 1866, amounting to $25,000, which cost the company $21,250.

The market value of these bonds, though good, is uncertain.

242 bonds of $100 each, entitled Knox County bonds, bearing six per cent. interest, payable annually, redeemable in 1867, amounting to $24,200, which cost the company $18,150.

The market value of these bonds is uncertain.

10 bonds of $10,000 each, entitled bonds of Decatur County, Indiana, bearing six per cent. interest, payable semi-annually, in New York, redeemable in 1871, amounting to $10,000, which cost the company $8,000.

15 bonds of 10,000 each, entitled bonds of the city of Dayton, bearing six per cent. interest, payable semi-annually, at Dayton, Ohio, redeemable in 1859, amounting to $15,000, which cost the company $14,000.

The market value of these bonds is uncertain.

125 bonds of 1,000 each, entitled Junction railroad bonds, bearing interest at the rate of ten per cent., payable semi-annually, in the city of New York, redeemable in 1863, amounting to the sum of $125,000, which cost the company $125,000.

The market value of these bonds is uncertain.

492 30 bonds of $500 each, entitled bonds of the township of Dayton, Montgomery County, Ohio, bearing interest at the rate of seven per cent. per annum, payable semi-annually, in the city of New York, redeemable in 1864, amounting to $15,000, which cost the company $13,125.

The market value of these bonds is uncertain.

1 bond of the city of Cincinnati, bearing interest at the rate of six per cent. per annum, payable semi-annually, in the city of New York, redeemable in 1870, amounting to $1,000, which cost the company $900.

The market value of such bonds is 90 c.

4 bonds of $1,000 each, entitled bonds of the city of Covington, Kentucky, bearing interest at the rate of six per cent. per annum, payable semi-annually, redeemable in 1865, amounting to the sum of $4,000, which cost the company $3,200.

The market value of these bonds is 90 c.

200 bonds of $1,000 each, entitled bonds of the Cincinnati, Hamilton, and Dayton railroad, bearing interest at the rate of seven per cent. per annum, payable semi-annually, in the city of New York, redeemable in 1880, amounting to 200,000, which cost the company $180,000.

The market value of these bonds is 84 c.

30 bonds of $1,000 each, entitled bonds of the Mansfield and Sandusky railroad, bearing interest at the rate of seven per cent. per annum, payable semi-annually, in the city of New York, redeemable in 1860, amounting to $30,000, and which cost the company $25,000.

The market value of these bonds is 60 c.

493 1 bond of $7,343, issued to this company by the commissioners of Fairfield County, payable on the 1st of January, 1857, which cost the company $7,343.

The market value of same is par.

7 bonds of $1,000 each, entitled bonds of Fayette County, Kentucky, bearing interest at the rate of six per cent. per annum, payable semi-annually, in the city of New York, redeemable in 1884, amounting to $7,000, which cost the company $4,789,47.

The market value of these bonds is 75 c.

5 bonds of $1,000 each, entitled bonds of Boyle County, Kentucky, bearing interest at the rate of six per cent. per annum, payable semi-annually, in the city of New York, redeemable in 1884, amounting $5,000, which cost the company $342,106.

The market value of these bonds is 75 c.

7 bonds of $1,000 each, entitled bonds of Dayton and Western Railroad Company, bearing interest at the rate of seven per cent. per annum, payable semi-annually, in the city of New York, redeemable in 1863, amounting to $7,000, which cost the company $4,789 47.

The market value of these bonds is 70 c.

315 shares of $100 each, of the capital stock of the Cincinnati, Hamilton, and Dayton railroad, amounting to $31,500, which cost the company $30,400.

The market value of this stock is 70 c.

14 shares of $50 each, of the capital stock of the Madison, Indianapolis, and Peru railroad, amounting to $700, which cost the company $500.

The market value of this stock is 6.

50 bonds of $1,000 each, denominated Hillsboro' and Cincinnati railroad bonds, bearing interest at the rate of seven per cent. per annum,

494 payable semi-annually, redeemable in 1875, amounting to the sum of $50,000, which cost the company $23,000.

The market value of these bonds is 46 c.

400 shares, amounting to $20,000, of the capital stock of the branch of the Bank of the State of Indiana at Vincennes, upon which two instalments have been paid, amounting to $4,600.

The market value of this stock is par.

X. The real estate owned by the company and used for the transaction of its business, is part of inlot No. 109, corner of Main and Third streets, city of Cincinnati, say 42 feet six inches in front, on Main street, and 100 feet on Third street. The amount paid for the ground is $26,867 79. The amount expended for buildings and other improvements thereon was $52,630 48; making the value, as estimated in the ninth annual report, $79,498 27. It now stands charged on the books of the company at $35,000. The original building and improvements have been removed and a new banking-house has been erected in their stead; cost, $130,000.

XI. The cash of the company is deposited in the banking department and drawn thence by checks signed by the secretary; the balance sheet and monthly statement No. 264, herewith submitted, show particularly the situation of the cash of the company.

XII. In addition to the assets set forth in the report the company have sundry notes, bills, and stocks charged to profit and loss, amounting

495 to $886,876 96, which are not included in the amount of debts due to the company, as set forth herein, upon which something may be realized.

XIII. All moneys hitherto received are at the risk of the company.

XIV. The company are the owners of three bonds of $5,000 each, dated 1st of May, 1847, bearing eight per cent. interest, payable semi-annually, and payable in ten years after date, secured by city taxes, issued by the city of Dayton, and purchased by this company of Joseph Torrence.

XV. The banking department has made collections for others, as follows, viz:

In Cincinnati	$7, 852, 960
Ohio (out of Cincinnati)	105, 246
Indiana	47, 287
Kentucky	54, 564
Missouri	20, 213
Virginia	6, 908
Maryland	1, 346
Pennsylvania	27, 281
Louisiana	9, 902
New York	126, 240
Michigan	6, 680
In all	8, 258, 717

These collections are made at the following rates of exchange, viz: In Cincinnati, no charge; Ohio, Indiana, Kentucky, Missouri, Virginia,
496 and Michigan, 1 per cent.; Pennsylvania, (out of Philadelphia,) ½ to 1 per cent.; Louisiana, par; New York and other eastern cities, par to ½ premium.

XVI. The amount of exchange purchased is as follows:

On New York and New England States	$6, 767, 110
Pennsylvania	532, 537
Maryland	277, 177
Louisiana	157, 230
Ohio	234, 226
Indiana	32, 611
Kentucky	321, 676
Virginia	28, 806
Michigan	6, 941
Missouri	26, 737
In all	8, 385, 051

The above comprises bills purchased, in addition to which the company has bought bills of exchange, having time to elapse before maturity, as follows:

Eastern States	$5, 127 958
Ohio	375, 395
Kentucky	644, 281
Indiana	288, 950
Virginia	31, 985
Missouri	195, 312
Michigan	45, 682
Louisiana	208, 310
In all	6, 917, 873

497 The amount of exchange sold is as follows, viz:

On New York, ¼ at 1 prem	$11, 448, 476
Philadelphia .....do	860, 981
Baltimore.....do	180, 818
N. Orleans, ¼ to ½ prem	745, 872
Ohio, par	47, 102
Indiana, par	
Kentucky, par	150, 738
St. Louis, par to ½ prem	77, 539
Virginia, par	
	13, 511, 526

XVII. A list of the names of persons having balances of accounts amounting to $5 and upwards, lying in the hands of the company for a year and longer, with change, and without any special contract for the continuance thereof, and the amount at the credit of each.

Armstrong, A. G.	$6 50
Andrews, J. O.	20 00
Armstrong, A. E.	90 00
Ames, Nathan	10 99
Alexander, J.	5 65
Allen, W	10 67
Bates, H. N.	6 33
Brittain, O.	7 39
Brown, Geo. P.	9 00
Burnet, W.	35 00
Berry, W. S.	7 32
Bradley, P. P. & F. J.	10 00
Baker, T. L.	250 00
Bates, John H., adi.	8 36
Bell, G. P.	54 40
Brisbane, W. H.	6 54
Clingman, E.	5 00
Cohn, Aaron	5 62
Cochran, J. & Co.	10 61
Cameron, W	10 37
Cassilly, W. P.	50 01
Crain, J. A.	15 77
Cox, H.	9 00
Conwell, A. B., & Son	71 19
Cox, R. S.	5 72
Crozet, A.	6 86
Calvert, G. H.	844 98
Durain, Lewis	60 00
Dodge, J. S.	8 71
Denham, Jos., sen	10 00
Edwards, Powell	12 15
Farlow, Benj.	5 93
498 Buckingham, M	6 56
Brown, B. S.	125 33
Burns, J. D.	25 00
Benningham, F	18 70
Biggs, T. R	39 39
Bromwell, J. N., jr	8 48

Bayler, R. B	$12 33
Brown, A. J	10 52
Burrow, J. J., & Co	46 68
Ballauf, W	29 65
Baxter, J. M	110 00
Buell, H., jr	5 00
Buckingham, J., & Co	25 00
Beckwith, L. & W	43 77
Cassilly, C. P	30 40
Cleneay, W	10 34
Chapman, W. H	10 34
Cramner, Jas	80 00
Cohn, Wm	8 12
Davis, W. W	200 00
Dist. c't U. S., south. dist. of Ohio	3, 978 28
Farrell, James	7 89
Eusing, Adam	400 45
Gouch & Campbell	5 62
Holland, D. B	13 37
Hollis, —	44 44
Horton & Baker	5 60
Hand, David	8 00
Hatch, W. S	7 22
Hopple, C	402 00
Hall & Dodds	7 22
Fry, John	30 00
Fell, J. Christian	35 16
Ferris, Andrew	10 00
Farrer, Sam'l	98 40
Gregory & Bennet	5 01
Gaylord, T. G	34 42
Glenn, W., & Sons	6 55
Glover, Lavinia	41 00
Greene, W. P	13 49
Gano, J. P	119 40
Glascoe & Harrison	5 01
Galloway, James	20 00
Filves, C	51 00
American Protestant Ch	75 00
Blair, S., & Co	7 73
Evans, E. D. (null)	.....
Mitcheson, A	14 00
Moses, Phineas	10 00
McDonald & Lacy	29 00
McCullough, J	8 85
Nelil, Moon & Co	50 00
Nixon, Jno. W	19 33
Mather, John	77 05
McMachen, John	60 00
Patterson, John	15 31
Patterson, Robert	6 97
Pearson, W	28 32
Preston, May A. E	12 00
Pheister, Fred	5 00
Phillips, H. G	21 25
Pounts, W. & N	14 82

	Pool, Thomas	$17 26
499	Higden, Josiah	6 87
	Haff, John	46 51
	Iglehart, J. P	12 39
	Ingalls, W. P., ag't	34 62
	Jones & Armstrong	51 41
	Kane, Michael	50 00
	Kendall, W	50 00
	Kearns & Co	15 64
	Hopper, Peter	100 00
	Leser, Andrew	6 73
	Lawson, F. & B	43 45
	Levi, C	13 64
	Levi, Mordecai	6 60
	L'Hommedieu, R. L	222 48
	Marchant, Isaac	20 59
	McCafferty, John	7 20
	Miller, G. R. (sec. 7)	56 32
	Miller, W. G	9 29
	Miner, Andrews & Co	5 48
	McLean & Co	9 40
	McLean, N. C., assignee	11 77
	Mercer, C. T	46 39
	Melindy, John	8 44
	Baldwin, J. M., jr	50 00
	Burrows, J. H	7 47
	Vaughn, J. C	6 20
	Wallace, N	44 04
	Walker, John	9 82
	Walker, M. W	5 63
	Wright & Coffin	8 66
	White, M., treas'r	6 87
	Widner, Daniel	9 00
	Pugh, L. N	16 51
	Ranklin, Wm	50 00
	Raymond, D	5 00
	Reakert, J., & Co	30 00
	Realy, John	19 23
	Rentz, Joseph	170 37
	Rilm, John	443 00
	Roll, Isaac	31 80
	Sanford, B. F	68 20
	Sanford, C. B., cash'r	5 00
	Sleeper, Israel B	8 57
	Speers & Wright	6 00
	Smith & Ballard	15 01
	Sigenen, W	8 30
	Snyder, Philip J	25 00
	Smith & Howard	78 06
	Swin, Wm	25 00
	Smith, Elizabeth	25 07
	Southgate, H. H	11 55
	Taylor, E. B., pres't	11 15
	Taylor, A. V	8 00
	Tillotson, E. R	7 11
	Thomas, W	10 51

Tudor, John M		$17 94
Umberger, S. W		5 55
Wasson, Zebulon		20 00
Warrington, Geo		9 07
Webb, N. F		241 59
Whittlesey, E		17 16
Peters, J		17 79
Powell, D. A		527 89
Reemelin, Chas., guard'n		5 00
Rowe, Emily		125 00
500 Wilson, John		31 34
Williams, J. Milton		9 76
Wiggins, Sam'l		47 50
Witte, H. & F		12 60
Wright, G. S., & Co		6 25
Wood, Thos. R		8 34
Wunder, Gibbons & Spear		14 49
Page & Barron		1, 039 42
Patterson & Nichols		16 73
Peel & Cameron		18 38
Rosenthal, L. J		144 05
Stillwell & Anderson		24 67
Stillwell, John D		157 26
Smith, C. J. M		6 74
Towrey, George		8 60
Weicher, H		137 38
Wilson, John N		22 13
Woods, John		18 83
Page, Bacon & Co		34 25

XVIII. Balance sheet of the affairs of the banking department.

1. *Debtor account.*

Notes payable in Cincinnati	$364, 845 38	
Bills of exchange (see sec. 6)	1, 129, 261 58	
Bills receivable	82, 703 11	
Suspended debt	196, 888 89	
		$1, 773, 698 96
Expense account		7, 467 30
Interest account		9, 124 38
Funds in transitu		163, 705 00
Real estate		23, 002 21
Due from banks in Ohio	76, 217 00	
Indiana	5, 226 80	
Kentucky	50, 354 89	
Virginia	2, 663 07	
Maryland	853 46	
Philadelphia	8, 010 61	
Michigan	258 13	
		143, 483 96
Cash in bank:		
Notes of other banks	250, 526 00	
Gold, silver, and copper	18, 811 92	
Cash items	327 31	
		269, 665 23
		2, 390, 147 04

501 2. *Creditor accounts.*

Notes in circulation		$3,330 00
Profits, viz:		
From discounts	$26,596 38	
exchange	16,691 06	
int. bills rec'ble	269 49	
		43 556 93
Suspense account		17,545 03
Certificates of deposits		60,946 38
Deposits by individuals		1,268,734 48
Due to trust department		168,239 93
Due to banks in Ohio	37,412 52	
Indiana	24,717 16	
Missouri	8,697 70	
Kentucky	1,285 81	
Virginia	6,339 30	
Pennsylvania	11,451 48	
N. York and N. England	134,887 10	
N. Orleans	420 55	
		225,211 62
Due to N. York agency		601,862 67
Bills payable		720 00
		2,390,147 04

502 *Balance sheet trust department.*

Dr.

Real estate	$26,963 41
Bills No. 1	18,738 04
" 2	11,920 66
Contingent taxes	7,459 26
Bonds and mortgages	1,309,887 90
Bonds Clark County	21,250 00
Knox "	18,150 00
Fairfield "	7,343 00
Decatur "	8,000 00
Dayton Township	13,125 00
city of Dayton	29,100 00
city of Cincinnati	900 00
" Covington	3,200 00
C., H., & D. RR	180,000 00
Junction RR	125,000 00
M. & S. RR	25,000 00
Fayette Co., K'y	4,789 47
Boyle "	3,421 06
Dayton & W. RR	4,789 47
Cin'ti & Hills. RR	23,000 00
Stock, Cin., H., & D. RR	30,400 00
M., J., & Peru. RR	500 00
br. 'k, Vincennes	4,600 00
Bills receivable	1,046,099 67
Suspended debt	36,057 94
Int. dep. in trust	6,356 74

Expense ac	$305 75
Salary ac	2,166 64
Banking department	168,239 93
	3,136,763 94

Cr.

Capital	$2,000,000 00
T. accumulation	326 07
Prem. ins. on life	44,101 81
Cert. dep. in trust	779,887 76
Dividends	380 00
Surplus funds	176,798 70
Int. bonds and morts	31,753 01
bills rec'ble	24,375 09
Rents	1,996 40
Deferred interest	49,476 29
Miss. account	27,664 81
	3,136,763 94

503 Report No. 264, of the concerns and business of the Ohio Life Insurance and Trust Company for the month ending the thirty-first day of October, anno Domini, eighteen hundred and fifty-six.

1. Funds under charge of committee of investments:

Capital stock for loans on bonds and mortgages			$2,000,000 00
Invested in bonds and mortgages	$1,309,887 90		
Invested in real estate purchased, under decrees on loans of capital	6,009 42		
Balance uninvested	684,102 68		
		$2,000,000 00	
Esti'ed value of the lands pledged	3,560,864 00		
Am't of certs. dep. in trust, now out is			779,887 76
Twenty year dep. in trust	110,381 00		
Deposits under twelve months	669,506 76		
		779,887 76	

3. Funds under ch'ge of com. of finance:

Trust of accumulation	326 07		
Premiums insurance on life	44,101 81		
Deposits under twelve months	669,506 76		
Int. on loans in trust depart	56,132 10		
Rents from real estate	1,996 40		
Deferred interest	49,476 29		
Surplus fund	176,798 70		
Balance	47,761 54		
			1,046,099 67
Loaned on stocks and real estate		1,046,099 67	

4. Disbursed in trust department:

Loaned on bonds and mortgages	1,309,887 90	
stocks and real estate	1,046,099 67	
Bills rec. B'k U. S., No. 1	18,738 04	
" " " 2	11,920 66	

Brought forward		$3,825,987 43	$3,825,987 43
Invested in real estate	$26,963 41		
Contingent taxes	7,459 26		
Bonds of Clarke County	21,250 00		
504 Knox County	18,150 00		
Fair'd County	7,343 00		
Bonds of Decatur county	8,000 00		
Dayton Township	13,125 00		
city of Dayton	29,100 00		
Cincinnati	900 00		
Covington	3,200 00		
C., H., and D. RR	180,000 00		
Junction "	125,000 00		
Mansfield and S. RR	25,000 00		
Fayette Co., K'y	4,789 47		
Boyle " "	3,421 06		
Dayton and Western RR	4,789 47		
Cin. and Hills. RR	23,000 00		
Stock C., H., and D. "	30,400 00		
Madison, I., and P. "	500 00		
br. b'k at Vincennes	4,600 00		
Suspended debt	36,057 94		
Int. paid on deposits in trust	6,356 74		
Expenses	305 75		
Salaries	2,166 64		
Banking department	168,239 93		
		3,136,763 94	
5. Disbursed from the following funds:			
Capital stock	2,000,000 00		
Twenty-year dep's in trust	110,381 00		
Deposits under twelve months	669,506 76		
Trust accumulation	326 07		
Prem. insurance on life	44,101 81		
Interest rec'd on all accounts	56,132 10		
Rents from real estate	1,996 40		
Deferred interest	49,476 29		
505 Surplus fund	176,798 70		
Miscellaneous account	27,664 81		
Dividends	380 00		
			3,136,763 94
6. General acc't of profits and expenses:			
Int. rec'd on bonds and mort's	31,753 01		
bills rec'ble	24,379 09		
Rents from real estate	1,996 40		
Discount, &c.,in bank'g depar't	43,556 93		
			101,685 43
Expenses and salaries in b'k depar't.	16,591 68		
" " trust "	2,472 39		
Int. paid on deposits in trust	6,356 74		
		25,420 81	
Net profits		76,264 62	
		7,064,436 80	7,064,436 80

1. The amount of capital stock is $2,000,000 00. The number of stockholders owning the same is 529. The number of stockholders residing out of the

State is 486. The amount of stocks held by them collectively is $1,824,100. The number of stockholders residing in the State other than trustees is 35. The amount of stock held by them collectively is $91,500. The number of trustees residing in the State is 14; of whom one owns $14,000, one owns $10,000, one owns $5,400, and eleven own each $5,000.

The amount of loans to said trustees is $187,873. The am't of loans to stockholders other than trustees is $15,391 55.

2. The amount of money deposited in trust by order of court of chancery or probate, to be invested and kept at the risk of the company, all of which is on trust of accumulation, is $326 07.

3. The amount of deposits by persons and companies other than monied corporations, in trust to be used and kept at the risk of the company, is $669,506 76.

4. The amount deposited by banks to be invested and kept at the risk of the company, no part of which is on trust of accumulation is nothing.

5. The company is not liable for any amount as guardian of the estate of infants.

6. The company is not liable for any amount as receiver.

7. There is nothing due for life insurance which has not been paid after death has happened.

8. The following table shows the amount received for premiums on life insurance, where the persons whose lives are insured are still living; the number of lives remaining insured; the average length of time those lives will continue, according to the tables used by the company; the amount of premiums payable annually to the company on these insurances, and the amount which will become due from the company upon the death of those persons whose lives are insured.

No.	Age.	Expectation of life.	Amount insured.	Premiums payable annually.	Whole amount of premiums.
1	60	13.21	$2, 000	$68 00	$1, 428 00
1	72	7.74	5, 000	313 50	5, 016 00
3	59	13.68	6, 600	294 42	2, 516 32
2	56	15.10	8, 000	384 00	1, 812 00
3	42	22.04	11, 000	271 80	2, 402 40
2	35	25.68	8, 500	129 55	1, 188 15
2	34	26.20	6, 000	131 50	640 00
7	49	18.49	20, 000	452 40	1, 693 50
1	45	20.52	5, 000	143 50	1, 004 50
3	41	22.56	13, 000	185 20	1, 018 30
2	46	20.02	6, 000	178 20	1, 247 40
9	44	21.03	11, 300	279 17	1, 232 89
3	33	26.72	13, 000	158 80	556 40
1	48	19.00	1, 500	47 40	331 80
5	30	28.27	10, 000	124 20	369 10
1	58	14.15	5, 000	117 50	822 50
4	39	23.60	11, 000	199 30	731 75
4	50	17.99	10, 000	183 20	903 20
3	36	25.16	8, 500	110 40	502 60
4	47	19.15	19, 000	408 30	1, 631 60
5	29	28.79	13, 000	195 20	423 45
3	37	24.64	8, 500	134 62	347 90
5	38	24.12	10, 500	158 44	338 76

No.	Age.	Expectation of life.	Amount insured.	Premiums payable annually.	Whole amount of premiums.
5	32	27.24	$13,500	$194 70	$507 40
1	24	31.36	5,000	69 60	208 80
1	54	16.06	5,000	231 00	693 00
1	55	15.58	1,500	40 80	81 60
1	31	27.76	2,500	30 25	60 50
1	40	23.08	1,500	22 95	45 90
2	25	30.85	1,500	20 20	20 20
1	27	29.82	500	5 60	5 60
1	51	17.50	5,000	110 50	110 50
1	26	30.33	2,000	22 00	22 01
1	28	29.30	3,000	60 60	121 20
90	.....	.....	253,400	5,456 80	30,635 22

9. There is nothing due for arrears of annuities.

10. There has been nothing received for the sale of annuities during the last twelve months.

11. The amount of dividends due and unpaid is $1,124—in Cincinnati $380, in New York $744.

12. Nothing has been received in trust to be invested, kept at the
508 risk of the depositor.

13. There are no debts or demands against the company other than those herein set forth.

The debts due the company for loans or otherwise are believed, with few exceptions, to be collectable.

On the first Monday of January, eighteen hundred and fifty-six, a dividend of four per cent. on the capital stock of the company was declared, and on the first Monday of July, eighteen hundred and fifty-six, a dividend of four per cent. on the capital stock of the company was also declared, amounting together to one hundred and sixty thousand dollars.

Trustees' names and residences.—George Luckey, Cincinnati, Ohio; Samuel Fosdick, do.; John C. Wright, do.; Abraham M. Taylor, do.; Chas. Stetson, do.; Sylvester C. Parkhurst, do.; Samuel J. Broadwell, do.; George T. Stedman, do.; Clement Dietrich, do.; Nathaniel Wright, do.; George Crawford, do.; Charles G. Enyart, do.; Sam'l B. Keys, do.; Sam'l Forrer, Dayton, Ohio; Rob't Bayard, New York City; Geo. S. Coe, do.; J.
509 A. Hosmer, Hartford, Conn.; Samuel E. Foote, New Haven, Conn.; C. J. Stedman, New York City.

The trustees, as required by the 9th section of the charter, are arranged in classes, as follows:

1. Nathaniel Wright, George Crawford, Sam'l B. Keys, and C. J. Stedman; term expires 30 September, 1858.

2. Charles Stetson, J. B. Hosmer, Geo. T. Stedman, and Chas. G. Enyart; term expires 30 September, 1860.

3. R. Bayard, S. C. Parkhurst, S. J. Broadwell, out; term expires 30 September, 1862.

4. Sam'l Forrer, Sam'l Fosdick, George Luckey, and Clement Dietrich; term expires 30 September, 1864.

5. John C. Wright, Abraham M. Taylor, Sam'l E. Foote, and Geo. S. Coe; term expires 30 Sept., 1866.

Officers' names.	Residences.	Salaries.
Charles Stetson, president	Cincinnati	$4,000
Edwin Ludlow, cashier	New York	3,000
G. W. Rice, sec'y p. t.	Cincinnati	1,600
Sam'l P. Bishop, asst. cash'r	do	2,000
V. Worthington, solicitor	do	1,200
Jas. R. Lyle, bookkeeper	do	1,500
George Eustis, teller	do	1,200
H. P. Bissell....do	do	1,200
J. H. Hewson...do	do	1,000
A. McDonald, bookkeeper	do	1,000
A. H. Nichols....do	do	1,000
A. A. Hood.....do	do	900
J. Baldwin.....do	do	600
J. C. Brigham....do	do	600
W. C. Irwin....do	do	600
H. A. Mathews, messenger	do	720
510 J. G. Brotherton, bookkeeper	do	900
J. P. Baldwin, messenger	do	500
W. W. Conner.....do	do	360
T. Nichols.....do	do	250
Wm. Jordan, porter	do	240

Agents' names and residences.—C. L. Latimer, Norwalk, Huron Co., Ohio; P. Odlin, Dayton, Montgomery Co., do.; C. Derrey, Cadiz, Harrison Co., do.; R. G. Corwin, Lebanon, Warren Co., do.; C. H. Scribner, Mt. Vernon, Knox Co., do.; G. M. Parsons, Columbus, Franklin Co., do.; C. W. Learle, Zanesville, Muskingum Co., do.; S. M. Tracy, Portsmouth, Scioto Co., do.; Joseph Sill, Chillicothe, Ross Co., do.; John Garaghty, Lancaster, Fairfield Co., do.; D. L. Collier, Steubenville, Jefferson Co., do.; S. D. King, Newark, Licking Co., do.; C. Anthony, Springfield, Clark Co., do.; R. Patterson, Bellefontaine, Logan Co., do.; C. N. Olds, Circleville, Pickaway Co., do.; L. Perry, Gallipolis, Gallia Co., do.; D. A. Starkwether, Canton, Starke Co., do.; T. D. Wibb, Warren, Trumbull Co., do.; C. P. Wolcott, Akron, Summit Co., do.; L. Stern, Tiffin, Seneca Co., do.; E. Wilder, Painesville, Geauga Co., do.; D. Putnam, Marietta, Washington Co., do.; W. J. Gilmore, Eaton, Preble Co., do.;
511 O. T. Fishback, Batavia, Clermont Co., do.; Foote & Hoyt, Cleveland, Cuyahoga Co., do.; J. W. Lewis, Hamilton, Butler Co., do.; M. Pennington, St. Clairsville, Belmont Co., do.; W. A. Morris, Cincinnati, Hamilton Co., do.

CHAS. STETSON, *Pres't.*

At a meeting of the board of trustees, held on the 22d day of January, 1857, it was resolved that the trustees, having heard the statement of the affairs of the company, as they stood on the last day of October, 1857, prepared by the president, secretary, and cashier, in compliance with the order of the supreme court, approve the same, and direct the president to sign and transmit it to the supreme court in behalf of the trustees.

G. W. RICE, *Sec'y.*

THE STATE OF OHIO, *Hamilton County, ss:*

Charles Stetson, president of the Ohio Life Insurance and Trust Company,

being duly sworn, deposeth and sayeth that the matters contained in the foregoing statement of the affairs of said company, prepared in compliance with the order of the supreme court of the 19th of January, 1846, are, to the best of his knowledge and belief, true.

CHAS. STETSON.

Sworn to and subscribed this 22d day of January, 1857, before me.
J. BURNET, *Notary Public.*

512 THE STATE OF OHIO, *Hamilton County, ss:*

G. W. Rice, secretary of the Ohio Life Insurance and Trust Company, being duly sworn, deposeth and sayeth that the matters contained in the foregoing statement of the affairs of the company, prepared in compliance with the order of the supreme court of the 19th of January, 1846, are, to the best of his knowledge and belief, true.

G. W. RICE.

Sworn to and subscribed this 22d day of January, 1857, before me.
J. BURNET, *Notary Public.*

THE STATE OF OHIO, *Hamilton County, ss:*

Samuel P. Bishop, assistant cashier, being duly sworn, deposeth and sayeth that the matters contained in the foregoing statement of the affairs of the company, prepared in compliance with the order of the supreme court of the 19th of January, 1846, are, to the best of his knowledge and belief, true.

S. P. BISHOP.

Sworn and subscribed this 22d day of January, 1857, before me.
J. BURNET, *Notary Public.*

513 **Ex. 111.**

Extract from the report of Reuben Wood to the supreme court, made in 1849.

He likewise states that the cashier of the company in New York acts under the same or similar instructions to those referred to, and gives a copy thereof, which is filed with this report, marked "B."

This exhibit is detached from *from* the report of R. Wood, but I believe a copy of these instructions will be found in my Exhibit 126.

Ex. 112.

Extract from report of Mathew Burchard.

The affairs of the New York agency are now managed by the same person employed the last year and under the regulations then existing. The remarks made by Judge Wood in the report of last year render it unnecessary for me to say than that the agency appears to be well conducted. My means of judging, however, are derived from the correspondence of this office with that and the statements of the officers of the institution. Promptness and care are indicated by his letters and balance sheets. I should, judging from his correspondence, regard him as a very prudent and discreet agent.

514 **Ex. 113.**

Extract from report of T. L. Jewett.

The company have an agency established in the city of New York, the business of which is conducted by its cashier. The correspondence between him and the company and his periodical statement of transactions, together with the enquiries of the officers of the company, are the sources from whence your commissioner derived principally what he has to state in reference thereto.

In this agency the proceeds of the company's eastern bills, as well as most of the Ohio banks and a large number of other banks, especially those of the west, are deposited.

By an arrangement between the Ohio banks and the company, the latter pays the former four per cent. per annum on those deposits. They are subject to sight drafts; and in order that the cashier shall always be in readiness to meet them, his instructions are of the most stringent character as to the use made of these deposits. By the rules of the company he is not permitted to loan the money, but certain stocks specifically named, such as Ohio, New York, Virginia, and perhaps the cities of Boston and New York. His instructions are not to loan over ninety per cent. on their par value and for a period not longer than ten days, and in no case on stocks that are not at par. The amount of these deposits is very large, those of the Ohio Bank alone approaching near one million of dollars. It is therefore not
515 strange that the company should feel the importance of placing its agent under the most rigid rules as to the manner and the securities upon which he may loan them.

Your commissioner has given much consideration to the question whether any additional safeguards could be thrown around the transactions of this agency, and upon mature deliberation he has arrived at the conclusion that if those already interposed are not adequate to its protection and security, he is unable to suggest any of a higher character that would ensure its safety. Hence the question involves the existence of the agency itself and whether it should be continued. Your commissioner having stated the facts, he does not feel called on for an expression of his opinion thereon.

516 **Ex. 114.**

Extract from report of E. Hayward.

A branch of the banking department, called an agency, has been almost from the commencement established in the city of New York, at which the principal cashier resides and under whose immediate supervision its operations there are conducted. Through this agency all the premiums or money business of the company in that city is transacted, semi-monthly returns or reports of which are made and transmitted to the office at Cincinnati. At this agency also all the transfers of the capital stock of the company not owned in Ohio are made and recorded.

Ex. 115.

Second extract from report of E. Hayward, esq'r.

The company was the agent of the State in New York City from Oct., 1839, to June, 1853, for the reception and payment of the semi-annual interest on the State debt and for keeping the stock books and entering and recording all transfers of State stocks, for which it received an annual com-

pensation, including clerk hire, of $2,000. This agency was undertaken at a time when the finances of the State were exceedingly depressed, and but for a temporary advance of funds made by the company at one time, the high credit of the State would have suffered.

517 Ex. 116, part of Ex. "H."

518 Ex. 117.

Report of the committee on the agency in New York.

The undersigned, the committee appointed to examine into the condition of the agency of the Ohio Life Insurance and Trust Company in New York, have attended to that duty and now report as follows:

The examination was brought down to the 24th of June, 1843, and made upon the statement of the condition of the agency that day, as per statement herewith filed, marked "No. 1."

1st. Cash as per books 24th June, 1843, $45,224 60; of which there was stated to be in the B'k of Commerce..... $39,451 74
In the Merchants' Exch'g B'k:..... 5,120 45
Cash—cash items..... 652 41
$45,224 60

We found in Bank of Commerce, as per the books. 38,665 29
In the Merchants' Exchange Bank..... 5,120 45
In cash—cash items..... 613 83
44,400 17

Leaving an unaccounted-for balance..... 824 43

Of this difference the sum of $785 85 was in the account of the Bank of Commerce, and is explained as follows:

The agency had charged the Bank of Commerce, which was not then credited by said bank..... $2,338 75
The Bank of Commerce credited the agency, which had not then been charged by the agency..... 1,300 00
1,038 75

Less agency check issued 23 June, 1843, (No. 8092,) and not ch'g'd by s'd b'k..... 252 90
785 85

Leaving short in the agency cash items..... 38 58
824 43

2d. Bills rec'ble per books 24 June, 1843, $398,463 13. We found the bills, on examination, to agree with the sum stated. Every bill was produced or satisfactorily accounted for as on deposit. A list is annexed, marked "A." We examined all the securities connected with these
519 items, and found them unquestionably good. $398,463 13.

3d. *Expense account.*—A detailed statement of this account from the 20th March, 1843, to the 22d June, 1843, is annexed, marked "B." On the 22d June, 1843, this account was balanced by charging the amount to profit and loss. Previous to the 20th March, 1843, the items of this account were charged directly to the account with the parent institution at Cincinnati, and will be found in the account current regularly transmitted to Cin-

cinnati. There are employed in the agency in New York three clerks, one at a salary of $900 per annum, one at $400, and one at $360. The first of these is the State transfer clerk, and is constantly employed in that duty. The salaries of the others will probably have to be increased.

4th. *Profit and loss.*—Since the 20th March, 1843, the gross amount of its credit is $5, 006 76; of which there was, for interest received... $4, 187 22
Exchange..... 279 52
Exchange on sterling bills..... 540 02

5, 006 76
Which, after deducting the expense ac..... 1, 272 58

Leaves a net profit to 22 June, 1843, of..... 3, 734 18

Which has been credited to the parent institution at Cincinnati and they advised thereof.

5th. *Miscellaneous accounts as per statement.*—This account consists mainly of individual accounts, and at the date of this examination are
520 credited to the credit of the acc't, $21, 514 58. A detailed list of these accounts is annexed, marked "C." In all cases where there are balances against individuals they are protected by securities in hand, either of good merchantable paper or stock, with the exception of about $600 due from three individuals, which are supposed to be good, and $500 which is due from J. G. Fendi, who made a loan from the agency upon security which proved to be deficient, and which will probably be a total loss.

6th. *Bills payable as per statement.*—This account consists of two notes given by the company to the Bank of Commerce at 5 per cent. interest, one for $50,000 and one for $25,000, in all $75,000.

We also examined the accounts relating to the issue and transfer of the company's certificates of deposit. A list of the present holders of the certificates of the company is annexed, marked D, which amounts to $712,381. We have made a list of the original certificates issued by the company found in the agency in New York cancelled, and the list annexed marked E. Those bonds we have also brought out and file herewith. These bonds have been cancelled by writing on their face. We have advised that hereafter such bonds be further cancelled by cutting a piece out of them. We compared the bonds issued by the New York office from time to time with the register, and had in every case the bond taken up and cancelled produced; we found these to correspond.

We further examined the accounts of stock held by the New York
521 office belonging to the company and also that held in pledge as security upon loans. Of the stock of the trust company we find to the credit of J. N. Perkins, cashier, 579 shares, of which the company owns 250 shares, and there are pledged for loans 329 shares. Of the stock of the State of Ohio we find to the credit of J. N. Perkins, cashier, on the books of the State..... $342, 198 88
In his possession in the name of others with power of attorney and certificate of stock annexed..... 117, 860 12
Pledged by him to the Bank of Commerce, for which we had exhibited to us the acknowledgment of that bank..... 175, 000 00
Also in the Merchants' Exchange Bank..... 90, 000 00
In the hands of the Columbus Insurance Company, lent them on security..... 25, 000 00

750, 059 00

Of which there belongs to the company.....	$256, 900 00
" " " State.....	294, 271 00
Has been pledged to the company for loans.....	155, 559 00
Belongs to the Franklin Bank of Columbus.....	43, 329 00
	750, 059 00

Of the $256,900 belonging to the company there is on the books at Cincinnati.....	$206,900
On the books of the N. Y. agency which cost $34,932 50....	50,000
	256,900

Norwich and Worcester railroad.—We found in the hands of the cashier certificates for five hundred shares of the Norwich and Worcester railroad of $100 each, had been taken by the company some time since at $50 per share, making an outlay for that stock of the sum of..... $25,000

522 Also 27 bonds of said company for $100 ex.....$27,000
And on bond of the same for..... 270 27,270

52,270

The whole having been taken in settlement of a debt due by that company to the trust company. The bonds bear interest at the rate of six per cent. per annum, which it is supposed will be promptly paid. We recommend that the stock of the railroad company be converted as soon as the same price for it can be realized. An extension of this road to a point near New London, where there is always sufficient depth of water and no obstacle from ice, is contemplated; this extension will occasion an expenditure by the company of about one hundred thousand dollars, and when made will doubtless improve the value of the stock much beyond the amount expended. The committee found that the agency was in great favor with the stockholders and other friends of the institution in New York, most of whom sought an opportunity of expressing their decided opinion in favor of its continuance. On that subject we found but one subject prevalent, and that was that the institution would be greatly injured by the discontinuance of the agency, or by any considerable change or reduction in the powers and duties of the agent. It seems to be the united opinion of all our friends at the east with whom we conversed, that the agency has exerted great influence in sustaining the credit of the institution and in raising the value of Ohio stocks in that market. With an agency in New York where information as to the condition of the institution and the State could be obtained, the trust company has been identified with eastern capital and busi-
523 ness, and our friends apprehend that in case the agency is closed the institution would lose that relation and be regarded merely as a remote western company without sympathy or business connection with eastern capitalists. Concurring in these general views, your committee recommend the continuance of the agency in New York without any material change in its organization.

The committee take pleasure in saying that the department of Mr. Perkins, our cashier, and the manner in which he has conducted the business of the agency has secured to him the entire confidence of the business community, and has rendered his office a common resort for business men to seek information relating to western matters generally. This general confidence in

the agency must increase its usefulness, and, as we believe, render it profitable to the company. The committee regret to say that Mr. Perkins persists in his determination to withdraw from his situation as cashier, and insists that arrangements be made to relieve him from his duties as soon as possible, and by the first of August at farthest. While we think the withdrawal of Mr. Perkins from his place will be productive of serious injury to the institution, we entertain no expectation that he can be induced to change his determination.

The committee are of the opinion that the immediate attention of the board should be directed to the subject of the New York agency and the selection of a suitable successor to Mr. Perkins if the agency be continued. Extensive enquiries were made with a view to collect the opinions of our friends and stockholders as to a suitable person to take Mr. Perkins's place.
524 The response to these enquiries, with scarce an exception, designated Wm. M. Vermilyea, now cashier of the Bank at Newark, New Jersey, as the most fit and suitable person to fill Mr. Perkins's place. He is represented as familiar with business men in New York and their standing, and with the course of business in that city and with money dealings in particular, but more than all he receives the unanimous approbation of everyone as a man of incorruptible integrity. The committee name him to the board as a suitable person to succeed Mr. Perkins. It is understood that his services may be commanded at the same salary now paid to Mr. Perkins. The committee is of opinion, and such seems to be the opinion of our friends generally, that the interest and security of the institution will be promoted by the appointment of two or more trustees at or near New York, who will devote a portion of their time to supervise the affairs of the agency in that city, and be at hand to advise the cashier in any case of importance and difficulty; such men it is supposed can be found. Should Mr. Perkins leave the institution it desirable to secure his services in the capacity of trustee, and your committee feel assured he would accept the appointment. As connected with the agency at New York your committee call the attention of the board of trustees to the low compensation received from the State of Ohio for acting as her transfer and interest paying agent. The compensation is but two thousand dollars, while the labor required to perform the transfer duties of this agency occupied the whole time of an
525 active clerk at the highest salary paid to a clerk in the agency, leaving but a small sum as compensation to the trust company for other services and the large responsibility connected with the State agency. This is wholly inadequate as compensation for the duties performed and responsibilities incurred for the State. When this compensation was fixed the amount of State stock was small compared with the amount at present, and the transactions in Ohio stocks were very few compared with the present transactions in them. If the compensation allowed by the State was fair and reasonable as compared with the duties and responsibilities of the agent when it was fixed, that rate of compensation for services and responsibilities would at least double the amount which should now be paid to the agent of the State. The committee think this subject ought to be pressed upon the fund commissioners without delay, and it is presumed they will at once see the justice of the application and make the proper increase.

(Signed) J. C. WRIGHT,
J. BURNETT,
N. P. WILLIAMS, *Committee.*

Cin'ti, 11th July, 1843.

The exhibits referred to in this report have been mislaid and cannot be found.

H. D. PAUL, *Com'r.*

526 Ex. 118.

Report of committee on New York office, Oct. 28, 1848.

1st. Your committee are of opinion that the credit which has been opened in London with Messrs. Barnett, Sloan & Co. for the use of this company should not be used unless the necessities of the company absolutely require it.

2d. That all loans made at the office in New York to trustees residing in Ohio shall be called in within three months from this date, and no new loans be made there to any trustee unless by consent of the board of trustees here. Should the liability of the trustee at Cincinnati not exceed the amount he is entitled to by the charter, the loan may be transferred to this office.

3d. That the loans to V. Worthington in New York shall not in any event exceed $25,000, and that the same shall cease on the first of January next.

4th. That all loans which have been made at the agency in New York to other persons than trustees shall be paid up when the term for which they were made shall have matured, and those for which no time was specified shall be called in forthwith, and no new loans shall be made except at the recommendation of the trustees in New York and approved by the board at Cincinnati.

5th. That the cashier be instructed to consult with the trustees in New York in reference to the payment of a claim for damages by Wetmore, Cryder & Co., and to transmit their opinion with his own to the board
527 here whether such claim should be paid or resisted, and if in his opinion it be necessary, he is instructed to get further legal opinion, which he will also forward to the board in Cincinnati.

6th. That the house of J. McGregor & Co., of New Orleans, have not met their engagements to this company, made under authority on the 11th of August last, and recommend that speedy measures be taken to call in this debt, as well as all others due from said house.

7th. That the office in Cincinnati should be charged with the following items: 1st, the amount of debt now standing on the books of the agency in New York as Gower & Co., London, as per statement of Geo. S. Coe, cash'r..... $437,115 20

2d, the amount of the debt now at the debit of S. Don and D. Johnson on the books of the said agency in N. York..... 152,739 90

3d, that the debt due from the Bank of the River Raisin to the agency in New York be transferred to this office..... 692 05

4th, that the debt of D. Dow & Co. to the agency be transferred to this office..... 3,021 12

5th, that the debt of J. B. Tracy to the agency be transferred to this office..... 1,748 03

$595,217 03

8th. That a transfer to this office be made of all the evidences of debt and securities for claims now charged to this office, including the account of H. Buchanan, properly proven.

9th. That the Ohio six per cents in the treasury notes now owned
528 by the company should be disposed of, provided the cashier and trustees in New York deem it advisable.

10th. That speedy measures be taken to collect the doubtful debts due the

company in New York, when ascertained to be worthless to be charged to profit and loss there.

Respectfully submitted, Cincinnati, 27 Oct. 1848.

(Signed) C. STETSON,
W. W. SCARBOROUGH,
DAVIS B. LAWLER,
SAM'L FOSDICK,
Committee.

Ex. 119.

OHIO LIFE INSURANCE AND TRUST COMPANY,
Cincinnati, Ohio, September 28, 1854.

SIR: At a special meeting of the stockholders of this company, held to-day at the office of the company in this city, (at which 8,488 shares of the stock was represented,) the following preamble and resolution was unanimouly adopted.

C. STETSON, *President.*

Whereas the charter of the Ohio Life Insurance and Trust Company provides, sec. 25, "No higher taxes shall be levied on the capital stock or dividends of the company than are or may be levied on the capital stock or dividends of incorporated banking institutions in this State;" and whereas it has been decided by the highest judicial tribunal in the United States that the tax law of 1851 to tax banks, etc., is not in conflict with the rights secured to this company by the said 25th section of its charter; and
529 whereas it is the duty of this company to submit to the laws of the State, however onerous, and appeal to the proper tribunals for relief; and whereas the taxes imposed under the act of 1852 are extremely burdensome on this company and beyond what was supposed to be the limit authorized by its charter, and more than the company can pay and render to the stockholders a just and fair compensation for the capital employed in this State under the franchises and powers granted to the company in its charter: Therefore be it

Resolved, That while we, the stockholders here assembled, deem it proper for this company to pay the taxes on its effects, under the laws of the State, and apply to the general assembly for such relief as may be right, yet, in case no relief shall be thus obtained that will enable the company to divide among the stockholders reasonable profits for their capital in the State, it is our opinion that the trustees should so manage the affairs of the company as to enable them speedily to close up its business and best enable them, after paying all its just debts, to return the remaining capital to the holders of its stock.

C. W. ROCKWELL, *Chairman.*

S. J. BROADWELL, *Secretary.*

530 Ex. 120.

Resolution of May 19th, 1851.

Resolved, That notice be forthwith given to the borrowers of capital on real estate security, according to the resolution of the 1st Oct., 1835, that the amount due is required to be paid on or before the 1st day of July, 1853, or within two years after the service of said notice.

Resolution of April 7th, 1852.

Resolved, That the secretary no longer delay issuing the order of the board under date 19 May, 1851, calling in the loans of capital.

Ex. 121.

THE OHIO LIFE INSURANCE AND TRUST CO. OFFICE,
Cincinnati, July 15, 1854.

Hon. W. D. Morgan, auditor of state:

SIR: The Ohio Life Insurance and Trust Company respectfully represents that she has been assessed for taxation for the years 1852 and 1853 in the several counties in the State upon the full amount of her mortgages of record as she believes, when in many instances partial payments had been made thereon which did not appear of record, whereby the amount thus
531 listed is made to exceed the actual capital of the company thus invested.

There are also other cases of erroneous listing for said years under the tax act of 1852.

She also represents that the litigation of the company with the State in regard to the rate of taxation has been upon the advice of her trustees, in good faith, believing the company to be by law exempt from the rate imposed, and not from any disposition to avoid her just and legal liabilities. She therefore respectfully submits whether, under the circumstances, the error in listing her taxables for said years should not be corrected, and whether any penalty ought to be upon an act honestly and in good faith.

She further represents that the assessment of her taxables in the State under the tax act of 1852 so far exceeds her actual capital as to make the amount of her taxation burdensome, and with the addition of penalties, onerous, oppressive, and ruinous.

She would therefore respectfully ask that the errors made in ascertaining her taxables for the years 1852 and 1853 be corrected, and the penalties added to her taxables listed during the judicial investigation of her liability be remitted.

The company in her corporate character proposes to your department to list for taxation under the oath of her officers, all her taxable assets and pay the taxes thereon for the years 1852 and 1853, and hereafter thus to
532 list and pay so long as she continues to do business the taxes upon her assets prescribed by law.

The company has caused her president, Charles Stetson, hereto to subscribe his name and affix the corporate seal on the day and year first above written.

G. W. RICE, *Sec'y P'ts.*

Ex. 122.

DEC. 6, *Wednesday*, 1852.

D'R SIR: I reached this place on Sunday evening. On Monday visited the office of the company, where I found Mr. Coe and Mr. Bayard. After the usual salutations we proceeded to discuss the matters which I came here specially to see consummated.

I found that it was the opinion of both the gentlemen above named that Mr. Ludlow, for some years past a clerk in the office, and known to most of the trustees at Cincinnati, should receive the appointment of cashier. I at once made known to Messrs. B. & C. the conversation which took place at the board the day I left in reference to the appointment of Mr. Ludlow, and that under the circumstances I could not justify myself in agreeing to place Mr. L. in the chair about to be vacated. Thus the matter stands. My position is anything but an agreeable one, and I now ask for the board's further instructions. Shall I agree to the appointment of Mr. L. or not? I

533 wait your reply. There are two other applications for the place, Mr. Bull, the transfer clerk in the office, and Mr. Duer, a relative of J. G. Key, now 2d teller in the Bank of Commerce. Neither of these gentlemen, it is thought, will answer our purpose.

In the event should you instruct me to vote for Mr. Ludlow, that of course ends the matter, and nothing more remains to be done. Should you do otherwise, I shall then propose to the board that we appoint Mr. Charles W. Rockwell, formerly of Norwich, Conn., but now residing at Washington, D. C., where he holds a place in the Treasury, department of the commissioner of customs, with a salary of $3,000 or $3,500 per annum. Mr. R. I have known quite intimately for 20 years past. He was bred a merchant. I know of no one more accomplished. He is a man of sterling integrity, quick and ready, of well-balanced mind, great and industry and perseverance, well posted up as to all matters of great and general interest in the country; in manner, conversation, and person, agreeable beyond that of any of my acquaintance, about 50 or 55 years of age. I feel that under his administration, with the excellent advice and counsel of Mr. Bayard and Mr. Coe, that the various interests of the co. would be safe, and that the duties of the office would be promptly and efficiently discharged. Am unable to say whether Mr. R. would accept; have written him; will get an answer on Friday or Saturday.

It is proper for me to state that I have had conversations with two
534 of our stockholders here respecting Mr. L. They are in favor of Mr. Ludlow having the place, and I learn from Mr. Bayard that there are other large stockholders in his favor. These gentlemen know nothing personally of Mr. Ludlow's fitness; so they inform me.

Mr. Coe must be made trustee. I consider it of vital importance to the interests of the co.

I shall expect your reply to my enquiry in the first page of this sheet by telegraph.

(Signed) C. S.

Ex. 123.

NEW YORK, *Dec.* 15, 1852.

S. Fosdick, esq., pres't pro tem:

DEAR SIR: We have fixed upon Mr. Rockwell as the cash'r of the Ohio Life Insurance and Trust Co. in the city. Have notified Mr. Rockwell and shall wait an answer from him as to the time when he will come to this place. If he cannot come here at once I shall, to save time, go on to Washington to have an interview with him, as I deem it a matter of importance to see him in person either at Washington or at this place, here if possible. I have further to advise you that it has been deemed indispensably necessary that we should have an assistant cashier here to sign documents in the absence of the cash'r, or of his illness, or any other cause. It has been considered necessary that Mr. Ludlow should be retained in the office from his very intimate knowledge of the concerns of the co. the past ten years, and
535 we have taken the responsibility upon us to create this place, and further to put Mr. Ludlow in it with a compensation of $2,000 per annum; the expenses of the office here will be increased in the sum of $200 per annum over present time. We now pay Mr. Coe $3,600, Mr. Ludlow $1,200, is $4,800; under the new arrangement it will be Mr. Rockwell $3,000, Mr. Ludlow $2,000.

The friends of Mr. Ludlow are very numerous here, among them a great number of our largest and most influential stockholders, and I wish you to understand the arrangement just recited has been a kind of compromise

between us; hence it will not answer for the board to refuse to confirm this arrangement and appointment. If it is equally agreeable to the board to consider Mr. Ludlow an associate cashier (in lieu of asst.) it would very much gratify his feelings as well as those of his stockholder friends above referred to. On receipt of this I wish you to give your assent to all the foregoing by a telegraphic despatch, and fully in writing by the first mail leaving Cincinnati if possible, in order that I may get everything into shape and be on my way home as soon as possible.

There is another reason why I should remain here, and that is the State has empowered a Mr. Egerton to take charge of the books and papers relating to the agency of the State of Ohio. He has not yet made his appearance, though looked for daily. I think it not improbable that we may see a "skrimage," as the probability is that Mr. Breslin, the treasurer
536 of state, will be on hand at the same time.

Your valued favor of 11 is at hand. I have no time to add by this mail.

Rest.,

(Signed) C. STETSON.

Mr. Lord has just been in, and I have the letters to him. He approves of them highly.

(Signed) C. S.

Ex. 124.

OHIO LIFE INS. AND TRUST CO., *Cin., April* 2, 1855.

To the trustees of the Ohio Life Ins. and T. Co., Cincinnati:

GENTS: The undersigned, a committee appointed by the board of trustees of this co. to visit the agency of the company in New York, and there examine into its condition, report that they carefully examined and verified the loan acc't as made upon the 15th Feb., the day of the withdrawal of Mr. C. W. Rockwell as cashier of the company, and found all the securities on hand as stated in document marked A herewith. With very few exceptions the collaterals deposited for loans made by the cashier are fully ample to meet them. Of those of which there is any doubt may be named the loan to Prime & Co. and G. W. McLean on the stock of this co., as also
537 loans to C. Kelsey, secured by stock of this company in part and by stock in the Cleveland and Pittsburg Railroad Company. All these parties have been notified that the amount of the loans must be redeemed at once, or further securities be pledged therefor; the former will no doubt be done at an early day, as has been promised. There being no assistant cashier in the office in New York it was deemed absolutely necessary that some one should be charged with the signature of Mr. Ludlow, the cashier, in the event of his illness or absence from the city. After full deliberation and consultation with Mr. Coe and Mr. Ludlow it was concluded to vest this authority in Mr. John S. Carr, a gentleman who has been in the service of the company for some six or seven years past, (now pay-teller.)

Mr. Carr enjoys the confidence of Mr. Coe and Mr. Ludlow in a very high degree; they consider him eminently qualified both as regards his capacity and integrity. Document B, herewith, addressed to J. A. Stearns, president Bank of Commerce, will show the extent and nature of his authority to sign for and in behalf of the cashier. Document marked C will show the names of all employed in the office in New York as well as the stations they occupy and the amount of salaries allowed.

C. STETSON, *Committee.*

538 Ex. 125.

NEW YORK, *Dec.* 31, 1852.

Mr. E. Ludlow, N. York:

D'R SIR: I have much pleasure in informing you of your appointment as asst. cashier of the Ohio Life Ins. and Trust Co. (at New York) by the unanimous vote of the board of trustees of said co. at Cincinnati, O., under date 22d inst. You are already aware that Mr. C. W. Rockwell has been appointed by the board of trustees cashier of the co. (to reside here) in place of Mr. G. S. Coe resigned. I find it very difficult to propose any specific instructions for your government in the discharge of the duties which may devolve upon you.

You are hereby authorized as asst. cash'r to sign checks upon those banks where the funds of the co. may from time to time be deposited; and you are also empowered to endorse bills of exchange, notes, and checks which may from time to time be received in the current of the co. In reference to the loaning of funds deposited with the co. to parties upon call, this important matter is quite fully set forth in my instructions to Mr. Rockwell, who will consult and confer with you daily as to the amount to be loaned, to whom, and as to the sufficiency of the securities offered, necessarily connected with this branch will be the calling in of loans.

Resp'c.,

(Signed) C. STETSON, *Pr.*

539 Ex. 126.

NEW YORK, *Dec.* 31, 1852.

C. W. Rockwell, esq'e, New York:

DEAR SIR: I have the pleasure to inform you that you have been appointed by the board of trustees of the Ohio Life Ins. and Trust Company of Cincinnati, O., its cashier, to reside in this city, in place of Mr. Geo. S. Coe, who has resigned. The post is one of great responsibility, requiring the exercise of extreme caution and good judgment in the loaning (upon call) of funds deposited with the company by various individuals and institutions throughout the country, and which is subject to the sight checks of said depositors. In consequence of the multiplicity and diversity of securities offered as collateral for loans, it is difficult to name specifically those which may be safely taken.

As a general rule, however, those may be accepted which are saleable at any moment at the brokers' boards, and which are among the sound and substantial securities, avoiding those which are subject to great fluctuations in price, and entirely rejecting those which by any stretch of terms can be embraced among fancy stocks. You should require a margin of ten per cent. upon the market price of the day, and to note the changes of price of your securities as always to have on hand that amount of excess.

540 Although it is desirable to select the most responsible parties as borrowers, yet you should regard your collaterals alone as always securing more than the entire loan independently of the names of parties, and in dealing with those of little personal responsibility require additional security. In the discharge of this branch of your duty you will have the excellent advice and counsel of the trustees of the co., residing in New York, in Messrs. Rob't Bayard, Rufus L. Lord, and Geo. S. Coe, as well as Mr. J. B. J. Hosmer, of Hartford, Conn., and Sam'l E. Foote, New Haven, Conn., and in all cases of doubt or difficulty as to what course you should pursue you will freely consult with these gentlemen. The correspondence of the office is heavy and requires no small amount of labor, and vigilance, and promptness; in this you will be ably assisted by Mr. Edwin Ludlow, who

has been appointed by the board of trustees as asst. cashier. Mr. L. has for eight or ten years past been a confidential clerk in the office, and he is well informed in all its past transactions, and the entire of the business of the office. You will not permit any banking institution depositing with you to withdraw their account beyond the sum of twenty thousand dollars, and no individual depositor beyond the sum of ten thousand dollars, and then only unless you have sound and safe available collateral securities belonging to both parties to the amount of said overdrafts. In reference to sterling and other foreign bills of exchange you will not render this company liable by indorsement or otherwise, except so far as they may come under your charge direct from the office at Cincinnati, and should you receive
541 any bills (foreign bills of exchange) from any of your correspondents for sale, you will dispose of them upon their own merits, without rendering this company liable in any form whatever. Should any foreign bill of exchange be sent to you for collection by any of your correspondents you will be governed by the advice of the trustees of the co. residing in this city.

Resp. y'rs,

(Signed) C. STETSON, *Pr. O. L. and Tr. Co.*

N. Y., *Jan'y* 1, 1855.

Rec'd of C. Stetson, pr. O. L. and T. Co., the original of the within written instructions, and which I shall observe and follow.

(Signed) C. W. ROCKWELL, *Cash'r.*

Ex. 126, con'd.

NEW YORK, *Sept.* 19, 1848.

D'R SIR: Esq'e having resigned the cashiership of the Ohio Life Ins. and Trust Co., of Cincinnati, O., to take place on the 1st prox., and as you have been appointed his successor it becomes necessary that you should have some instructions for your government in the discharge of the duties which will devolve upon you.

1st. You will loan any moneys in your hands only on pledge of U. S. gov't stock or securities, or on the stocks of the States of Maine, Conn't, Massachusetts, Ohio, New York, or Kentucky, or on the stocks of banking institutions located in the cities of Philadelphia, New York, and Boston, or on the bonds of the cities of B. and N. Y., which stocks, when you may
542 make a loan, shall be worth par, and no loan shall be made on either of the above-named stocks or securities exceeding ninety per centum of its par value; and further, any and all loans so made by you shall be subject to your call for payment at not exceeding ten day's notice.

2d. You are not to suffer any banking institution depositing with you to overdraw their account beyond the sum of $20,000, and no individual depositor beyond the sum of $10,000, and then only unless you have secured and safe available collateral securities to twice the amount of said overdraft.

3d. In reference to sterling and other foreign bills of exchange, you will not render this company liable by indorsement or otherwise, except so far as they may come under your charge direct from the company at Cincinnati, and should you receive any foreign bills of exchange from any of your depositors or correspondents for sale, you will dispose of them upon their own merits without rendering this company liable in any form whatever. The trustees of the co. in this city are J. J. Palmer, esqr., and J. N. Perkins, esq., with whom you will consult freely and fully on all matters of moment and interest to the co.

Very respt.,

(Signed) C. STETSON, *Pr. O. Life In. & Tr. Co.*

The following in pencil, without signature, is also entered in the instructions, Sept. 20:

G. S. Coe, cashier:

In addition to the instructions already given you as to what security you may loan upon, I have to add that if you find it needful you are at liberty to loan within 10 per cent. of the market value of said bonds on this city as may be considered on proper investigation and enquiry to be safe and available in case of need of disposal.

Ex. 127.

543 OHIO LIFE INS. AND TRUST CO., *Cincinnati*, 16 *Oct.*, 1847.

Wm. M. Vermilye, esq., cashier, New York:

DEAR SIR: Recent events have made it very manifest that the business of this company entrusted to your management in New York, should be conducted upon very different principles from what it has been heretofore. For your government it has been deemed proper to place before you the following instructions, which you will strictly observe, and follows:

1st. You will loan any monies in your hands only on a pledge of U. States gove'mt stocks or securities, or the stocks of the States of Maine, Connecticut, Massachusetts, New York, Ohio, or Kentucky, or on the stocks of banking institutions located in the cities of Philadelphia, New York, and Boston, which stock, when you make a loan, shall be at par; and no loan shall be made on either of the above-named stocks exceeding ninety per centum of its par value; and further, any and all loans so made by you shall be subject to your call for payment at not exceeding ten days' notice.

2d. You are not to suffer any banking institution depositing with you to overdraw their account beyond the sum of twenty thousand dollars, and no individual depositor beyond the sum of ten thousand dollars, and then only unless you have sound and safe available collateral security to twice the amount so overdrawn.

3d. In reference to sterling bills and any other foreign bills of exchange, you will cease dealing in them altogether, except so far as may come under your charge direct from this office, but should you receive any
544 foreign bills from any of your correspondents for sale, you will then dispose of them upon their own merits without rendering this company liable in any form whatever.

By order of the board of trustees.

(Signed) CHAS. STETSON, *Pres't.*

NEW YORK, *Nov.* 12, 1847.

Rec'd the original of the foregoing instructions, and which I hereby bind myself to adhere to.

(Signed) W. M. VERMILYE.

P. S.—In addition to the stock and securities named in the foregoing, you are at liberty to loan upon the stocks or bonds of the cities of New York and Boston.

(Signed) C. STETSON, *Pres't.*

Ex. 128.

Resignation of N. Wright, Sept. 12, 1857.

To the president and trustees of the Ohio Life Insurance and Trust Company:

GENTLEMEN: I hereby resign the office of trustee of the Ohio Life Insurance and Trust Company.

I beg the patient attention of my colleagues to my reasons for this step, which will seem to you so untimely. My defect of hearing is known to you, although you cannot realize fully the privations and incapacities attending it. I hear none of the ordinary statements or discussions at the board; it is generally only by special inquiry that I know even the subject under consideration. Where so much of the information, as well as the nature of transactions and the reasons for them necessarily rest on ver-
545 bal statements, such inability of course leaves me very imperfectly informed in relation to business. In ordinary times, however, there being always a legal quorum for ordinary business of those well versed in our affairs, and in case of anything extraordinary there being usually time enough to inform myself by incidental means, I have not so much felt the difficulty, altho' even then I have often doubted whether I ought to sit on the board. But since my return from the east and the troubles which have come over us, this mortifying embarrassment comes now upon me in full force. We are incessantly called upon to act with promptness upon extraordinary and important matters, the decision of which must turn in a great measure upon facts and arguments stated verbally at the board, of which I can hear little or nothing. There is no time (even if such a thing were possible) for me to collect from other members in detail their statements and views so as to be able to judge intelligibly. The consequence is I sit like an idiot not knowing what I do; perhaps misleading others by seeming to have an opinion when in fact I have none and not the means of forming one. I feel that it is wrong, unjust to others as well as myself thus to occupy a position requiring so much of sound judgment without the ability to exercise it. I have been endeavoring ever since my return to devise means of overcoming this difficulty so as to be able to discharge the duties of the office as I ought, but I have given it up in despair.

I beg you to receive this humiliating statement with kindness, and to accept my best wishes for yourselves, with hopes for the best to our time-honored trust company.

Very respectfully,

N. WRIGHT.

Cincinnati, Sept. 12th, 1857.

Rec'd 4, p. m. 12th Sept., 1857.

Memorandum in pencil referred to in x? 53.

546 **Ex. 129.**

OFFICE OF THE BOARD OF CONTROL, *Columbus, Nov. 23d*, 1855.

C. Stetson, esq'r, president, &c.:

DEAR SIR: I herewith enclose a certified copy of resolutions adopted at the recent meeting of the board of control, to which I specially invite your attention. The subject therein referred to has been a source of much trouble and some inconvenience to the branches, and, if I am rightly informed, in one or two instances their drafts on your office in N. York have been hishonored when on a proper adjustment of the account it appeared that the amount drawn for was actually due the branch.

Very respectfully, &c.,

J. ANDREW, *Pres't.*

Marked: Ans. 24 Nov.

Resolutions accompanying the foregoing letter.

At a meeting of the board of control of the State Bank of Ohio, held at its office, in the city of Columbus, on the 20th day of November, 1855, the following preamble and resolutions were adopted :

Whereas it appears to the board of control of the State Bank of Ohio, by the reports of the examiner of the branches, that negligence exists in the rendering promptly the accounts current of the branches by the office of the Ohio Life Insurance and Trust Company in the city of New York, that errors in the accounts, after the office of the trust company in
547 New York has been notified of them, are frequently allowed to exist for a long time without the necessary correction being made, and frequently after advice that the corrections are made, the next account is rendered disclosing the fact of the continuance of the same errors: Therefore—

Resolved, That the president of the Ohio Life Insurance and Trust Company in Cincinnati be requested to have the branches of the State Bank of Ohio furnished with their accounts current by the agency of the said company in New York as often as quarterly.

Resolved, That the president of the Ohio Life Insurance and Trust Company be requested to have the office of said company in New York promptly make the necessary corrections of errors which may exist in the accounts current rendered the branches when notified by the branches.

Resolved, That unless these requests meet the approbation of the officers of the Ohio Life Insurance and Trust Company, this board will be under the necessity of requiring the branches to discontinue said office in New York as a depository of their funds at that point.

Resolved, That the president of this board send a certified copy of the foregoing preamble and resolutions to C. Stetson, esq., president of the Ohio Life Insurance and Trust Company at Cincinnati.

Attest: JOHN JANNEY, *Sec'y.*

548 Ex. 129, Continued.

STEUBENVILLE, *March 20th*, 1856.

C. Stetson, esq'r, pres't, &c.:

DEAR SIR: I have received a copy of your letter of the 17th inst., the original of which was addressed to me at Col.

Your letter of 24th Nov. last in reply to mine was duly received and entirely satisfactory. I did not deem a reply necessary. Since that time I have heard no complaint of delay in the adjustment of the accounts of the branches by your office at N. York except by Gen'l Curtis, of the Mt. Vernon branch, and Mr. Hutchinson, of the Franklin col's, and by them casually in conversation. As the official information on this subject is brought to our knowledge through the reports to our examiner, which for the current six months will be brought to a close about the first of May, I will then be able to give you more definite information in relation to it.

I expect to return to Col's early next week, having been detained here by the state of my health, and if the river opens may return to your city, in which case I will call on you.

Very respectfully, &c.,

J. ANDREWS, *Pres't.*

Ex. 129, Continued.

OFFICE OF THE BOARD OF CONTROL, *Columbus, April 4th*, 1856.

C. Stetson, esq'r, president:

DEAR SIR: As I consider it in accordance with your own wishes as well as my duty to furnish you with any information in the possession of
549 this office in regard to any apparent improper delay in the adjustment of the acc'ts of the branches with your office in New York, I

will state that the report of the Piqua branch made on the 31st of March last, states in reference to the periods of which the acc'ts of the branch with other banks have been adjusted. "Ohio Life and T. Co., N. York, Dec. 15, 1855, the latter was examined in due season after receipt, and discrepancies advised of by the cashier of the branch about 19th January following, but no response has been received from the trust co. Cashier Young has again (recently) addressed Mr. Ludlow on the subject."

"The report of the examiner of the Mad River Valley branch, made on the 15th of March last, states that 'accounts current with correspondents seem to have received prompt attention except in regard to one account, that of the Ohio Life and Trust Co., which has for some cause been permitted to remain unexamined for some two or three years. This is a subject which will receive prompt attention.' (A new cashier of the branch has recently been appointed.")

In the last instance the fault may have been mainly that of the cashier of the branch, but not wholly, as I consider any officer of a bank derelict in duty who would permit an account to remain unadjusted for so long a period as that stated.

You will doubtless concur with me in considering this subject of such importance as to require strict vigilance on the part of all connected with the administration of moneyed institutions, and I assure you of the
550 co-operation of those connected with this office in applying the proper corrective to all such omissions of duty.

Very respectfully, &c.,

J. ANDREWS, *Pres't.*

Ex. 130.

[Confidential.]

OFFICE OF THE OHIO LIFE INSURANCE AND TRUST CO.,
New York, April 19, 1856.

Chas. Stetson, president:

DEAR SIR: In vindication of your judgment and that of parties here in urging upon the board of the home office the acceptance of Mr. Gilbert's proposition by which we should place at his disposal a credit of $250 M to carry out his contract with the Cleve'd and Pittsburgh RR. Co., I beg leave confidentially to advise you that I have made such arrangements with Mr. Rockwell, the president of said company, that the whole transaction shall be completed as a cash one, and we thus be relieved of any onus whatever, at the same time accomplishing the object in view—the payment of the indebtedness of Gilbert & Johnson in this office. It is desirable for many reasons that this information be confined to those now in possession of it, Messrs. Stedman, Coe, Rockwell, yourself, and myself. Mr. Rockwell first obtained from his board the full authority, personally and alone, to make the arrangement, he to decide whether the position of his company would not be better without a floating debt, and whether all payments accruing should not at once be met by a sale of a portion of the remaining assets. He has decided on the latter course as well that we should be entirely satisfied as that the best interests of the road should be served. Rumor after
551 rumor reaches us here respecting the agency question, the most frequent and generally-believed one being that we shall be selected. We have had some strong competition at Columbus, aside from Mr. Corwine. Messrs. Atwood & Co. and the Ocean Bank of this city have not confined themselves strictly to the vindication of their own fitness, but have de-

precated ours. Mr. E. F. Duke, whom you probably know, was here a few days since and left direct for Columbus. He had a conversation with me unofficially, and let me into some of the "secrets of the prison house." From what he says he could probably be made of service in securing the matter to this company, if an outside influence of that kind is desirable.

I should be very glad to hear from you regarding above as well for my own satisfaction as to answer the queries that are daily put to me.

Yours, very truly,

EDWIN LUDLOW, *Cash'r.*

UNITED STATES OF AMERICA,
Southern district of Ohio:

I, Harrison D. Paul, a commissioner to take acknowledgments of bail, affidavits, &c., do certify that the above-named Sam'l P. Bishop was by me first duly examined, cautioned, and sworn to testify the truth, the whole truth, and nothing but the truth; and I do further certify that the preceding deposition was reduced to writing by me, and signed by the said Sam'l P. Bishop in my presence, and that I am not of counsel or attorney for either of the parties to the said suit, nor am I interested in the event thereof.

H. D. PAUL,
U. S. Commissioner for South'n Dist. of Ohio.

552 Circut court of the United States for the southern district of Ohio.

JAMES C. C. BELL, ROBERT GRANT, AND JAMES MARTIN BELL, partners, under the name of Bell & Grant,
vs.
THE OHIO LIFE INSURANCE AND TRUST CO.

The defendant will take notice that on Wednesday, the thirtieth day of December, A. D. 1857, the plaintiffs above named will take the depositions of sundry witnesses to be used as evidence on the trial of the above cause, at the office of Edward Mann & Co., number seven State street, city of New York, in the county of , in the State of New York, between the hours of eight o'clock a. m. and six o'clock p. m. of said day, and that the taking of the same will be adjourned from day to day between the same hours until they are completed.

N. C. McLEAN,
Attorney for Plaintiffs.

Service of the above notice is acknowledged and proof of the official character of the officer before whom the said depositions may be taken is by agreement waived; also all exceptions in regard to time.

WORTHINGTON & MATTHEWS,
Att'ys for Def'dts.

553 Depositions of sundry witnesses taken before me, Montgomery Gibbs, a notary public in and for the State of New York, on the 30th day of December, A. D. 1857, between the hours of eight o'clock a. m. and six o'clock p. m. of said day, at the office of Edward Mann & Co., number seven State street, in the city of New York, pursuant to the annexed notice to be read in evidence on behalf of the plaintiffs in the said action.

Herbert Taylor, of lawful age, being by me first duly examined, cautioned, and solemnly sworn, deposeth as follows: I reside in London, in England, and

temporarily in the city of New York. For several years past I have been in the service of Bell & Grant, of London, and am now acting for them under their power of attorney. Of my own knowledge I am acquainted with the particulars of the account hereto existing between Bell & Grant, the plaintiffs, and the Ohio Life Insurance and Trust Company. The copy of account current hereto annexed, signed by me as the attorney of Bell & Grant, is a true copy of an account of the transactions between them and the said Life Insurance and Trust Company since June 30th, 1857. Said statements hereto annexed is marked "Exhibit A." The balance shown in said account "A" to be due by the said Ohio Life Insurance and Trust Company to the said Bell & Grant is fifty-three thousand and eighty-one pounds fifteen shillings and two pence sterling, or two hundred and fifty-four thousand seven hundred and ninety-two dollars and
554 forty-four cents in United States currency, which sum is rightfully due to the said plaintiffs, Bell & Grant, from the said Ohio Life Insurance Company for money advanced to the said Ohio L. Ins. and Trust Co., and for the said Bell & Grant rightful charges for commission and interests on their disbursements as correctly detailed in said "Exhibit A." I have in my possession an acknowledgment of the correctness of said account signed by Charles Stetson, esq., late president of the Ohio Life Insurance and Trust Company. The paper writing hereto annexed and marked "Exhibit A" is a true copy of said acknowledgement. The original acknowledgement was written and signed by Charles Stetson in my presence.

HERBERT TAYLOR.
MONTGOMERY GIBBS, *Notary Public.*

555 Also John Ackerman, of lawful age, being by me first duly examined, cautioned, and solemnly sworn, deposeth as follows: I reside in the city of New York. I have been the bookkeeper of the Ohio Life Insurance and Trust Company, in the city of New York, for several years past. I have examined the accounts current rendered by Bell & Grant, of London, plaintiffs, to the Ohio Life Insurance and Trust Company, and have had exhibited to me the vouchers appertaining to the account current, a copy of which said account current is hereto annexed, marked "Exhibit A," and I find said account to be correct, and that the balance claimed by the said Bell & Grant, viz: the sum of fifty-three thousand and eighty-one pounds fifteen shillings and two pence sterling, or two hundred and fifty-four thousand seven hundred and ninety-two dollars and forty-four cents in United States currency, is justly due to said Bell & Grant from the Ohio Life Insurance and Trust Company.

JOHN ACKERMAN.
MONTGOMERY GIBBS, *Notary Public.*

556 Also Edwin Ludlow, of lawful age, being by me duly examined, cautioned, and solemnly sworn, deposes and says, as follows:

I reside in the city of New York. For several years past I have been the cashier of the Ohio Life Insurance and Trust Company, in the city of New York. I am acquainted with the particulars of the account existing between said company and Bell & Grant, of London, the plaintiffs. The vouchers appertaining to said account have been exhibited to me. The balance of fifty-three thousand and eighty-one pounds fifteen shillings and two pence, or two hundred and fifty-four thousand seven hundred and ninety-two dollars forty-four cents in United States currency, is rightfully due to the said Bell & Grant from the said Ohio Life Insurance and Trust company

EDWIN LUDLOW.
MONTGOMERY GIBBS,
Notary Public.

557 Also Frederick B. Swift, of lawful age, who, being by me first examined, cautioned, and solemnly sworn, deposes and says as follows:

I am an attorney and counsellor of the supreme court of the State of New York, and am engaged in the practice of the law in the city of New York. The following is a true extract from the statutes of the State of New York, now in force in relation to damages on bills of exchange drawn or negotiated within this State, on places in Europe, and is the whole of said statute in relation to the rate of damages on bills drawn on places in Europe and protested for non-payment.

"§ 18. The rate of damages to be allowed and paid upon the usual protest for non-payment of bills of exchange, drawn or negotiated within this State shall, in the following cases, be as follows: If such bill shall have been drawn upon any person or persons, at any port or place in Europe, ten dollars upon the hundred upon the principle sum specified in such bill."

FRED'K B. SWIFT.
MONTGOMERY GIBBS,
Notary Public.

558 OFFICE OHIO L. INS. AND T. CO., *New York, Nov. 21st*, 1857.

Vouchers for the various items embraced in the within account current having been furnished to this office, I believe the balance claimed by Messrs. Bell & Grant (£53,081 15 2 sterling) to be correct.

(Signed) CHARLES STETSON,
Late Pres't Ohio L. Ins. and T. Co.

"Exhibit B," referred to in the foregoing deposition of Herbert Taylor.

HERBERT TAYLOR.
MONTGOMERY GIBBS,
Notary Public.

DR. *The Ohio Life Insurance and Trust Company, New York, in account current with Bell & Grant, of London.* CR.

				Days.	Int. to 31st Oct., 1857.						Days.	Int. to 31st Oct., 1857.	
1857.		1857.						1857.		1857.			
June 30	To balance of account rendered.	June 30	123	176 14 8	10,489 6 0	July 2	By their remittance of 20th ult'o, on Brown, Shipley & Co.	Sept. 4	57	7 16 2	1,000 0 0
July 7	1 draft of E. Ludlow, cashier, dated 22 June, at 60 days.	Sept. 8	53	36 6	5,000	10	By their remittance of 27 ult'o, on Overend, Gurney & Co.	11	50	28 15 4	4,900
10	1 ditto, dated 25 June, at 60 days.	11	50	54 15 11	8,000		By their remittance of ult'o, on Brown, Shipley & Co.	12	49	6 4 4	925 12 8
13	2 ditto, dated 29 June, at 60 days.	14	47	128 15 4	20,000	13	By their remittance of 30 ult'o, on Dennistown & Co.	14	47	128 15 4	20,000
17	Cost of protest to bill on Doherty.	July 17	106	7	1 16 6	18	By their remittance of 3 inst., on Denniston & Co.	19	42	94 18 7	10,000
18	3 drafts of E. Ludlow, cashier, dated 3-7 inst.	Sept. 19	42	138 1 7	24,000	"	By their remittance of 7 inst., sundries.	19			6,500
Aug. 3	3 ditto, dated 22 ult'o, 60 d's.....	Oct. 5	26	27 8 6	7,700	Aug. 3	By their remittance of 22 ult'o, on R. Wilson, Hallett & Co.	Oct. 6	25	24 14 4	7,218
6	1 ditto, dated 25 ult'o, 60 d's.....	8	23	12 12 1	4,000	6	By their remittance of 25 ult'o, on Brown, Shipley & Co.	9	22	8 8 9	2,800
11	1 ditto, dated 28 ult'o, 60 d's.....	13	18	11 16 8	4,800	11	By their remittance of 28 ult'o, on Brown, Shipley & Co.	14	17	14 18 10	5,806 13 10
12	1 ditto, dated 1 inst., 60 d's.....	14	17	4 3 10	1,800	12	By their remittance of 1 inst., on London and West Bank.	14			550
17	2 ditto, dated 3-4 inst., 60 d's.....	19	12	18 18 1	11,500		Bank of Liverpool..... ..	15	16	14 13 2	300
24	5 ditto, dated 10-71 inst., 60 d's...	26	5	13 14	20,000	17	By their remittance of 5 inst., sundries.	19	12	10 13 8	6,500
29	2 ditto, dated 13 inst., 60 d's.....	31	.....	.....	10,000	24	By their remittance of 11 inst., sundries.	26	5	15 15 1	22,000
31	4 ditto, dated 17-19 inst., 60 d's..	Nov. 2	2	7 7 11	27,000	29	By their remittance of 15 inst., on Jno. Pickersgill & Son.	31	.....	.....	3,000
Oct. 26	Remittance per contra. protested for non-payment at maturity: say part of remittance of 24 August, on W. H. Brand & Co., of London, at 60 d'ys, due Oct., 26..... £10,000	Oct. 26	5	7 10 9			Sundries.....	Nov. 2	2	8 1 8	9,500
	Damages thereon 10 per c. 1,000		.....	.....	11,000	31	By their remittance of 19 inst., sundries.	2			20,000
	And part of remittance of 29-31 Aug., on W. & H. Brand & Co., of London..... £5,000	Nov. 2	2	2 11 3			Bank of Liverpool.....	3	3	16 5	2,000
	On R. Wilson, Hallett & Co., Liverpool..... 3,500						Discount per contra.....			9 19 2	
	8,500						Balance of interest.....	.....	.....	288 3 4	
	Damages thereon 10 per c. 850		.....	.....	9,350	Nov. 2	Balance carried down.....	.....	.....	.....	53,081 15 2
	Discount per contra.....		.....	8 18 01						639 16 1	£176,442 1 8
Nov. 2	Balance of interest at 5 per ct..... 288 3 4			639 16 1							
	Add one tenth at 5½ per ct. 28 16 4		.....	.....	316 19 8						

EXHIBIT A—Continued.

			Days.	Int. to 31st Oct., 1857.					Days.	Int. to 31st Oct., 1857.	
1857.	Commission on drafts at 1 per ct. £143,800	1857.	.....	.....	1,438	1857.		1857.			
	Postage incurred	.....	.....	.....	15						
	Stamp duty on remittances	.....	.....	.....	45 4						
					£176,442 1 8						
Nov. 2	Balance brought down due	Oct. 31st	.....	.....	53,081 15 2						

Reduced with U. S. currency, at ex. 108, = $254,792 44.

New York, 17th Nov., 1757.

BELL & GRANT,
Pr. HERBERT TAYLOR, *Atty.*

561 CITY, COUNTY, AND STATE OF NEW YORK, ss:

I, Montgomery Gibbs, a notary public in and for New York, do hereby certify that Herbert Taylor, John Ackerman, Edwin Ludlow, and Frederick B. Swift were by me severally sworn to testify the truth, the whole truth, and nothing but the truth, and that the depositions by them respectively submitted, as above set forth, were reduced to writing by myself in the presence of the witnesses, respectively, and were respectively subscribed by the said witnesses in my presence, and were taken at the time and place in the annexed notice specified; that I am not counsel, attorney, or relative of either party or otherwise interested in the event of this suit.

Witness my hand and seal of office this 30th day of December, 1857.

MONTGOMERY GIBBS, [SEAL.]
Notary Public, 5 *Wall st.*

Fee $15, paid by plaintiffs.

M. G.

562 Pleas at the city of Cincinnati, in the county of Hamilton and the State of Ohio, at the October term, in the year one thousand eight hundred and fifty-eight, of the superior court of Cincinnati, separate session, held by the Honorable William T. Gholson, one of the judges of said court, in the court-house, room No. 3.

Be it remembered, that on the 14th day of October, A. D. 1858, the following petition and precipe filed in said court, to wit:

The State of Ohio, Hamilton County, superior court of Cincinnati.

Petition.

CHARLES E. SPINNING AND CHARLES BROWN, PARTNERS as Spinning & Brown,
vs.
THE OHIO LIFE INSURANCE AND TRUST COMPANY, CHARLES Stetson, Samuel Fosdick, Abraham M. Taylor, George Crawford, Samuel J. Broadwell, John C. Wright, and Clement Dietrich.

The plaintiffs state that the Ohio Life Insurance and Trust Company is a corporation created by act of the general assembly of the State of Ohio with power to receive money on deposits and loan the same, to discount mercantile papers, to grant annuities, insure lives, accept trusts, and generally to do and transact all business usually done by a banking, trust, and life insurance company; that the capital stock of said company, as
563 prescribed in the act of incorporation, is two millions of dollars, which they were authorized and required to loan at seven per cent. interest upon the security of mortgages upon real estate in the several counties of said State; that under said act of incorporation said company had transacted business for many years, having their principal office in the city of Cincinnati, and an agency in the city of New York, until the month of August, 1858, when it was suddenly discovered that the same was and had been for some time previous greatly embarrassed for want of means to carry on its business, by reason of heavy losses, principally incurred at the New York agency, and, by reason of gross mismanagement, had become and was utterly and entirely insolvent.

And the plaintiffs further state that thereupon said company closed their doors; that all their assets in New York, to a very large amount, were seized under process of foreign attachment, and a very large amount and a very large number of suits were commenced against them in Ohio.

And they further state that before and at the time of the said failure of said company the defendants Stetson, Fosdick, Taylor, Crawford, Broadwell, Wright, and Dietrich, were members of the board of trustees of the same, upon whom devolved, by the charter, the government of the same, and actively participated in the management thereof, and that said Stetson was president thereof; that after said failure, for about a month, they with their co-trustees continued to manage the affairs of said company; that without making a thorough investigation of the condition of the affairs thereof and without waiting for the report of a committee, whom they had appointed to make such investigation at the New York office, they discharged large debts of the company, in full, by allowing such debts to be used at par in
564 payment of the claims of said company against good and responsible men, and by allowing solvent debtors of the company to purchase at a discount checks of depositors and use the same at par in payment of their debts; that in this way they disposed of by far the greater portion of the valuable assets and property of the company, and being all, or nearly all, debtors of said company, they paid their own debts in the same way; that they conveyed the banking-house and other real estate of the company to the Merchants' Bank of Cleveland in payment of a large indebtedness in full; that they made no provision for the security of holders of life insurance policies, some of whom had been paying their premiums for twenty-five years; that though they were, by rule of district court of the United States for the southern district of Ohio and in pursuance of law, constituted the registry of that court, and as such had in deposit a large sum of money, they made no provision therefor, nor for the large sums which, in pursuance of their charter, had been deposited by them by order of this and other courts, and by guardians, administrators, executors, and master commissioners; that they paid in full, in money in property, a debt due to the county of Hamilton, on which the said trustees, or some of them, were responsible as endorsers for said company, and thus, having disposed of the larger portion of the means of said company, they, the said trustees, on or about the 22nd day of September, 1857, in the name of said company, made a conveyance or assignment of the remaining assets and property of said company to the defendants Stetson, Fosdick, Taylor, Crawford, Broadwell, Wright, and Dietrich, in trust for the equal benefit of the creditors of said company, to be by said defendants reduced to money and divided proportionately among said
565 creditors; and the plaintiffs state that thereupon said defendants accepted said trust and commenced the discharge of the duties thereof, and have ever since been professing to be engaged therein; that more than a year has elapsed, and as yet no dividend has been declared to the creditors and very little progress made in the settlement and liquidation of the affairs of said company; that no settlement or report was made to the creditors of the condition of the same until within a few weeks last past; and that the report then made made known little else than the fact that said assignees had acquired but little information with regard to the property of the company and had realized little from its outstanding claims, and that said report was evidently prepared with more reference to a justification of the acts of the defendants, as trustees, than for the purpose of informing the creditors as to the condition of the company.

And the plaintiffs further state that it was manifestly improper that the assignment should be made to the defendants because they had been and were trustees, because as such many of the creditors claimed that they were personally responsible for any deficiency in the assets in consequence of the failure having been, as was and is alleged, caused by the negligence and mismanagement of said trustees, and at least one creditor is now prosecuting a suit to fix said liability, and others are threatening the same; because some

of them are advancing in years and wanting in the energy and activity necessary for the discharge of the duties of a complicated trust; because others were engaged in extensive business and absorbing occupations requiring most of their time, because so large a number of assignees is of
566 necessity a body unwieldly and incapable of that prompt and decided action indispensable in such a case to save the property from waste and its being consumed by expenses; and because, having been trustees of an institution the management of which had been greatly and justly complained of, they could not forget, when acting as assignees, that they were also trustees, and that their conduct as such needed explanation, and for all these and other sufficient reasons, as soon as the fact of the assignment was made known, loud and just complaints were made by creditors, and nearly, if not quite, all of the creditors became, were, and are greatly dissatisfied therewith.

And the plaintiffs further state that the result has justified the anticipations that were thus entertained, and the said assignees have proved grossly inefficient and inadequate to the execution of the trust; that they cannot act without getting together in a formal meeting, and therefore are seldom prepared to take definite action, and then only after the delay attendant upon a discussion when they have succeeded in bringing together a quorum; that such quorum cannot always be had; that it is doubted whether even a quorum or majority can legally act unless all are present, and the attendance of all can rarely be had; that the machinery of seven assignees is necessarily cumbrous and unnecessarily expensive, and so, by the very constitution of the body and the inefficiency of the assignees, the property, which ought to be applied to the payment of debts, is passing away without benefit to anyone.

And the plaintiffs also represent that the affairs of said company are very much entangled and require vigorous, intelligent, and prompt action
567 for their settlement, and that great losses will be sustained if defendants are left to act as heretofore, hesitating to take responsibility and letting valuable time elapse without the accomplishment of any valuable results; that the nature of said affairs and their complication and entanglement, by reason of past mismanagement, is such as especially to require that said trust should be executed under the directions of a competent court to whom resort can be had in cases of difficulty.

And the plaintiffs further state that the assets of said company are valued by said assignees, in their said report, of upwards of seven hundred thousand dollars; that it is not pretended by them that these assets will pay more than thirty per cent. of the debts, leaving a deficiency of about a million and a half of dollars; that if the defendants and their former co-trustees should be held responsible therefor, they will all be rendered totally insolvent; and that the said assignees have given no security for the safety of said assets or the discharge of their duties.

And the plaintiffs further represent that before and at the time of the failure of said company they were depositors of money therein and creditors thereof; that at the November term, 1857, of this court they received payment for the amount so due, being the sum of two thousand and twenty-four 40-100 dollars, and costs, which judgment is still in full force, unreversed and wholly unsatisfied.

And they further state that there are many other creditors in this and other States of the United States, and in Europe, for whose benefit, as well as their own, so far as said creditors approve of the filing of this petition, they bring suit. Wherefore they pray that a receiver may be appointed to take charge of the assets and property of said company, and that he

568 may, under the direction of this court, proceed with the execution of said trust; that security may be required for the safety of said assets and the discharge of his duties; that the said assets may by him be reduced to money and divided among the creditors as speedily as reasonably may be.

MILLS & HOADLY,
Attorneys for Plaintiffs.

THE STATE OF OHIO, *Hamilton County, ss:*

Charles Brown, one of the plaintiffs, being duly sworn, says that the statements of the foregoing petition are true.

CHA'S BROWN.

Subscribed in my presence and sworn to before me this 14th day of October, 1858.

[SEAL.] LEWIS E. MILLS, *Notary Public.*

Upon which petition was endorsed the following precipe, to wit:

Charles E. Spining and Charles Brown, partners as Spining & Brown, vs. The Ohio Life Insurance and Trust Company, Charles Stetson, Samuel Fosdick, Abraham M. Taylor, John C. Wright, Clement Dietrich, Samuel J. Broadwell, George Crawford. Petition in action for relief, the appointment of a receiver, &c. Issued summons in above cause. Mills & Hoadly, attorneys.

569 And thereupon, on the same day with the filing of the foregoing petition and precipe, the following summons was issued by the clerk of said court to the sheriff of Hamilton County, to wit:

Summons.

THE STATE OF OHIO, *Hamilton County, city of Cincinnati:*

Superior court of Cincinnati to the sheriff of the county of Hamilton:

You are commanded to notify the Ohio Life Insurance and Trust Company, Charles Stetson, Samuel Fosdick, Abraham M. Taylor, John C. Wright, Clement Dietrich, Samuel J. Broadwell, and George Crawford, defendants, that they have been sued by Charles E. Spining and Charles Brown, partners as Spining & Brown, plaintiffs, in the superior court of Cincinnati, and that unless they answer by the 13th day of November, A. D. 1858, the petition of the said plaintiffs against them filed in the clerk's office of said court, such petition be taken as true and judgment rendered accordingly. You will make due return of this summons on the 25th of October, A. D. 1858.

[SEAL.] Witness my hand and the seal of said court, at Cincinnati, this 14th day of October, one thousand eight hundred and fifty-eight.

R. H. STONE,
Clerk of the Superior Court of Cincinnati,
By JOHN L. THOMPSON, *Deputy.*

Which said summons was endorsed as follows, to wit: Summons in action for relief, the appointment of a receiver, &c., to 25th day of October. Mills & Hoadly, attorneys.

570 And on the same 14th day of October, A. D. 1858, came the said plaintiffs by their attorneys and filed in said cause the following motion, to wit:

Motion.

Superior court of Cincinnati.

CHARLES E. SPINING AND CHARLES BROWN, partners as Spining & Brown,
vs.
THE OHIO LIFE INSURANCE AND TRUST COMPANY *et al.* } 9776.

Motion to appoint receiver. Mills & Hoadly, attorneys for plaintiffs. Cincinnati, Oct. 14th, 1858.

Appoint. of sh'ff receiver.

And afterwards, to wit, on the 18th day of October, at the term of October, A. D. 1858, of said court, the following order was made and entered on the journal thereof in said cause, to wit:

SPINING & BROWN
vs.
THE OHIO LIFE INSURANCE AND TRUST COMPANY *et al.* } 9776.

And now the plaintiffs come and move the court to appoint a receiver in this cause, and having given written notice to the defendants that this motion would be made, and the defendants interposing no objection to the court making the appointment, but reserving the right to controvert the allegations in the petition impeaching their integrity, the court, for the purpose of preserving the property in the hands of the defendants, now appoint the sheriff of Hamilton County receiver, and direct him to take charge of said property and hold the same subject to the order of this court until this court shall be advised whom to appoint.

Sheriff's return.

And afterwards, to wit, on the 21st day of October, A. D. 1858, the said sheriff made report of the service of the summons aforesaid, as follows:

"1858, October 21st. Served the Ohio Life Insurance and Trust
571 Company by leaving a copy of this writ at the residence of Charles Stetson, president of said company, and Samuel Fosdick, Abraham M. Taylor, John C. Wright, Clement Dietrich, Samuel J. Broadwell, and George Crawford personally with copies of said writ, and Charles Stetson by leaving a copy of said writ at his residence.

R. MATHERS, *Sheriff*,
By SAM'L B. HIRST, *Deputy*.

Sheriff's report as receiver.

And afterwards, to wit, on the 22d day of October, 1858, the said sheriff filed in said cause the following report, to wit:

Superior court of Cincinnati.

SPINING & BROWN
vs.
THE OHIO LIFE INSURANCE AND TRUST COMPANY, Charles Stetson, Samuel Fosdick, Abraham M. Taylor, George Crawford, John C. Wright, Clement Dietrich, and Samuel J. Broadwell. } 9776.

To the honorable the superior court of Cincinnati:

The report of Richard Mathers, sheriff of Hamilton County, acting as receiver in the above-entitled cause, respectfully submits:

1. That in obedience to the order of this court to that effect, I did, on Mon-

day, October 18, 1858, at about ten minutes after eleven o'clock a. m., demand possession of the property in said order described, of John C. Wright, Abraham M. Taylor, and Clement Dietrich, three of the above-named defendants, and received from them a written surrender of the same; that at about twenty minutes after eleven o'clock a. m., precisely, I demanded possession of the same, at the office of the defendants, of Samuel J. Broadwell, chairman of the assignees of the Ohio Life Insurance and Trust Company, and he surrendered the same, and I at once took and have ever since that time held full and undisturbed possession thereof, except as hereinafter stated.

2. That the property of aforesaid consists of the furniture of said office, the books and papers of said company and assignees, and a very
572 large amount of securities of various descriptions of great value.

3. That I have as yet taken no inventory or schedule of said property, because under said order I understand my duty merely, as an officer of court, to take possession of and preserve said property from loss and injury until a receiver should be appointed in this cause; which duty I have so far performed, but am anxious to be instructed whether to go on and make such schedule or not.

4. That an amount of currency and specie has come into my hands, stated by the clerk of the assignees, Mr. G. W. Rice, to be the sum of thirteen thousand nine hundred and seventy-four 1-100 dollars.

5. That certificates of deposit of money have come into my hands, follows: Three of E. G. Burkham & Co., for (in all) eleven thousand four hundred dollars, payable to the order of Samuel J. Broadwell, and by him endorsed to the order of G. W. Rice, clerk of the assignees; and one of the Lafayette Banking Company for $791 93, payable to the order of G. W. Rice, clerk of the assignees. Mr. Rice declines endorsing these certificates to me because such endorsement may possibly be considered as in contempt of an injunction which appears to have been issued on Monday last, Oct. 18, 1858, from the circuit court of the United States for the seventh circuit and southern district of Ohio, restraining the assignees of the Ohio Life Insurance and Trust Company from doing any act as such or interfering in anywise with said property.

6. That said assignees, at the time I took possession, had on deposit with the banking-house of Groesbeck & Co., in this city, in the name of S. P. Bishop, the sum of three thousand three hundred and seventy dollars, and in their own names in the Lafayette Banking Company the sum of six
573 thousand six hundred and forty-three dollars. That I have come into possession of the bank books evidencing said deposits, but said Bishop and said assignees decline drawing checks therefor because of the possibility that the same may be construed as a contempt of said injunction, and the banks aforesaid, for the same reason, decline paying the same to me.

I respectfully ask the instruction of the court as to the course to be pursued in the premises.

RICHARD MATHERS,
Sh'ff of Ham. Co., O.

Cincinnati, Oct. 22d, 1858.

And on the said 22d day of October, at the said term of October, 1858, the following entry was made on the journal of said court, to wit:

CHARLES E. SPINING AND CHARLES BROWN, partners as Spining & Brown
vs.
THE OHIO LIFE INSURANCE AND TRUST COMPANY *et al.* } 9776.

And now comes the plaintiffs and by leave of the court file an amended

and supplemental petition making new defendants Elzey G. Burkam and Joseph H. Burkam, partners as E. G. Burkam & Co., George Carlisle, Ezekiel S. Haines, Samuel Wiggins, and Rensselaer W. Lee, partners as the Lafayette Banking Company, John H. Groesbeck and John C. Culbertson, partners as Groesbeck & Co., George W. Rice and Samuel P. Bishop, for whom process is ordered.

And now comes the sheriff and files a report of his doings under the previous order of this court, from which it appears that a large amount of money has come into his hands. It is therefore ordered that all money that has come into his hands as aforesaid be by him forthwith deposited in the banking-house of Groesbeck & Co., and a certificate of deposit therefore taken, payable upon the order of this court, and that he file said certificate with the clerk of this court. And on the same day last aforesaid come the
574 said plaintiffs by Mills & Hoadly, their attorneys, and filed their amended and supplemental petition in said cause in the words following, to wit:

Amended and supp'l pet'n.

Superior court of Cincinnati.

CHARLES E. SPINING AND CHARLES BROWN, partners as Spining & Brown,
vs.
THE OHIO LIFE INSURANCE AND TRUST CO., CHARLES STETSON, SAMUEL Fosdick, Abraham M. Taylor, George Grawford, Clement Dietrich, Samuel J. Broadwell, John C. Wright, Elzey G. Burkam and Joseph Burkam partners as Burkam & Co., John H. Groesbeck and John C. Culbertson, partners as Groesbeck & Co., George Carlisle, Ezekiel Haines, Samuel Wiggins, and Rensselaer W. Lee, partners as the Lafayette Banking Company, and Samuel P. Bishop and George W. Rice. } 9776.

Now come the plaintiffs and by leave of the court amend the prayer of their original petition, in this: they pray that said assignees may be held and required to state an account of all their actions and doings as such; that they may be removed, and a trustee appointed in their place to administer and discharge the trusts confided to them by the assignment aforesaid, under the directions of this court. And by way of supplement petition, they state that the receiver heretofore appointed in this cause holds, among the assets of which he has taken possession under the order of the court, the following securities, to wit: three certificates of deposits payable on demand to the order of Samuel J. Broadwell, and by him endorsed to the order of G. W. Rice, clerk of the assignees of the Ohio Life Insurance and Trust Company, for the sum (in all) of eleven thousand four hundred dollars, of the banking-house of E. G. Burkam & Co., a firm composed of Elzey G. and Joseph H. Burkam; one certificate of deposit payable on demand to the order of
575 said Rice, clerk as aforesaid, for the sum of seven hundred and ninety-three dollars, of the Layfayette Banking Company, composed of George Carlisle, Ezekiel S. Haines, Samuel Wiggins, Rensselaer W. Lee; the bank books of said assignees with said Layfayette Banking Company, showing cash on deposite there to the amount of six thousand six hundred and forty-three dollars, and with (in the name of S. P. Bishop) the banking house of Groesbeck & Co., (composed of John H. Groesbeck and John C. Culbertson,) to the amount of three thousand three hundred and seventy dollars; all of which sums of money said receiver is unable to reduce to possession, because of the unwillingness of said Rice to endorse said Bishop, and said assignees to

check, and said banks to pay the same in his favor, for fear they may be adjudged to be in contempt of a certain injunction issued by the circuit court of the United States for the seventh circuit and southern district of Ohio, restraining said assignees from interfering with said property. Wherefore the plaintiffs pray, for the security of all parties concerned, that said moneys on deposit in said banks, may be brought into court to abide the final order of the court in the premises.

MILLS & HOADLY, *Attorneys for Plaintiffs.*

STATE OF OHIO, *Hamilton County, ss:*

Charles E. Spining, being duly sworn, says that he believes the statements of the foregoing amended and supplemental petition to be true.

CHARLES E. SPINING.

Subscribed in my presence and sworn to before me this 22nd day of October, 1858.

LEWIS E. MILLS, *Notary Public.*

[Not. seal Ham. Co.]

Precipe.

And upon said amended and supplemental petition was endorsed the following precipe, to wit: Issue summons for Elzey J. Burkam, and Joseph H. Burkam, partners as E. G. Burkam & Co., George Carlisle, Ezekiel S. Haines, Samuel Wiggins, and Rensselaer W. Lee, partners as the Lafayette Banking Company, John H. Groesbeck and John C. Culbertson, partners as Groesbeck & Co., Samuel P. Bishop, and George W. Rice.

576 MILLS & HOADLY, *Attorneys for Plaintiffs.*

And therefore on the same day of the filing of the foregoing amended and supplemental petition and precipe, the following summons was issued by the clerk of said court to the sheriff of Hamilton County, to wit:

Summons.

Superior court of Cincinnati.

STATE OF OHIO, *Hamilton County, City of Cincinnati:*

To the sheriff of the county of Hamilton:

You are commanded to notify Elzey G. Burkam and Joseph H. Burkam, partners as E. G. Burkam & Co., George Carlisle, Ezekiel S. Haines, Samuel Wiggins, and Rensselaer W. Lee, partners as the Layfayette Banking Company, John H. Groesbeck and John C. Culbertson, partners as Groesbeck & Co., Samuel P. Bishop and George W. Rice, (impleaded with the Ohio Life Insurance and Trust Company, and others,) defendants, that they have been sued by Charles E. Spining and Charles Brown, partners as Spining & Brown plaintiffs, in the superior court of Cincinnati, and that unless they answer by the 20th day of November, 1858, the amended petition of said plaintiffs against them, filed in the clerk's office of said court, such amended petition will be taken as true, and judgment rendered accordingly. You will make due return of this summons on the 1st day of November, A. D. 1858.

Witness my hand and the seal of said court of Cincinnati, this 22nd day of Oct., one thousand eight hundred and fifty-eight.

[L. S.] R. H. STONE,

Clerk of the superior court of Cincinnati,

By JNO. L. THOMPSON, *Deputy.*

Which said summons was endorsed as follows, to wit: Summons for Elzey G. Burkam and Joseph Burkam, partners as E. G. Burkam & Co., and others, in action for relief, the appointment of a receiver, &c., to 1st day of November, 1858. Mills & Hoadley, attorneys.

577 And on same day last aforesaid, the said sheriff made his return upon said summons of the service thereof, as follows, viz:

Sheriff's return.

"1858, October 22nd. I have this day served Elzey G. Burkam, Joseph H. Burkam, John H. Groesbeck, John C. Culbertson, and George W. Rice, personally with a copy of this writ, and served George Carlisle, E. S. Haines, Samuel Wiggins, R. W. Lee, and Samuel P. Bishop, by leaving copies of this writ at their residences.

"R. MATHERS, *Sheriff*,
"By A. MATHERS, *Deputy*."

And on the same 22d day of October, at the said term of October, A. D. 1858, of said court, the following entry was made on the journal thereof, in said cause, to wit:

SPINING & BROWN
vs.
THE OHIO LIFE INSURANCE AND TRUST CO. *et als.* } 9776.

On motion to the court by T. J. Gallagher, Ann Richardson, William H. Wright, Henry Kruse, Margaret Wright, Hubbell, Alexander & Driver, H. H. Todd, and E. J. Robinson, are made parties pl'ff to this action, with leave to file allegations in addition to those in original petition by the first day of next term of this court.

And afterwards, to wit, on the 23d day of October, A. D. 1858, came the defendants Charles Stetson, Abraham M. Taylor, Samuel J. Broadwell, Clement Dietrich, George Crawford, and Samuel Fosdick, by Worthington & Matthews, their attorneys, and filed their answer to the petition in the cause, in the words following, to wit:

Answer of C. Stetson and al.

Superior court of Cincinnati.

SPINING & BROWN
vs.
THE OHIO LIFE INSURANCE AND TRUST COMPANY, CHARLES STETSON, and others.

578 Charles Stetson, Abraham M. Taylor, Samuel J. Broadwell, Clement Dietrich, George Crawford, and Samuel Fosdick, named in the petition as defendants, for answer to the petition, say that they deny all the allegations of said petition imputing to them any want good faith in the discharge of their duties as assignees of the Ohio Life Insurance and Trust Company, or any misconduct, mismanagement, or illegality in reference to the administration of the trusts created by the said assignment, and hereby reserve the right more specifically and fully hereafter to contravert the allegations of the said petition in respect thereto; but these defendants say that for other reasons than those contained in said petition, they are willing to admit that the trusts created by said assignment should be administered under the direction of this court, and if it appears to the court that the same

can be better administered by other trustees or by a receiver, they are entirely willing and hereby consent that it shall be done, and themselves discharged from all further obligations under the same. The said defendants also admit that they were trustees of the said Ohio Life Insurance and Trust Company, but deny that they are in anywise responsible for the failure of said company, or that the same occurred in consequence of any want of proper diligence or care on their part. They also deny all fraud and misconduct charged against them in the management of the affairs of said company before or after its failure, and in making the said assignment, but claim that all things in that behalf done or permitted by them was in the honest discharge of their duty, and, in their judgment, for the best interests of all the creditors of the company.

S. J. BROADWELL.
SAMUEL FOSDICK.
CHARLES STETSON.
A. M. TAYLOR.
GEO. CRAWFORD.

WORTHINGTON & MATHEWS, *Att'ys for Def'd'ts.*

579 STATE OF OHIO, *Hamilton County*:

The subscribers, being duly sworn and affirmed, say that the matters and things set forth in the foregoing answer in their behalf are true to the best of their belief.

S. J. BROADWELL.
SAM'L FOSDICK.
CHAS. STETSON.
A. M. TAYLOR.
GEO. CRAWFORD.

Subscribed in my presence and sworn to before me this 22d day of October, A. D. 1858.

CHARLES W. DIETRICH, *Notary Public.*

[Not. seal, Ham. Co.]

And on the same 23d day of October, A. D. 1858, came also the defendant John C. Wright, and filed his separate answer in this cause, which is in the words and figures following, to wit:

Superior court.

JOHN C. WRIGHT, sued with others,
ats.
SPINING & BROWN.

The separate answer of J. C. Wright, one of the defendants.

1. Defendant admits the charter of the Ohio Life Insurance and Trust Company; that it had an office in Cincinnati, and an agency in New York; that he was and is one of the trustees and also one of the assignees; and that in the month of August, 1857, the board of trustees were taken entirely by surprise with intelligence from New York that the agency in that city had become embarrassed and unable to meet its engagements, and that a large amount of its assets had been seized and were held by the sheriff under writs of attachment against the company, but the cause of this failure was then unknown to the trustees, and defendant denies that this failure was the result of any mismanagement on the part of any one of the trustees, as he believes, or himself.

2. Defendant admits that after the New York agency failed to meet its

engagements, a large amount of the liabilities of the trust company
580 were paid at the office in Cincinnati by checks on it, and the allowance of these and other offsets recognized as valid by the laws of Ohio, and that other claims against the company were paid by the transfer of obligations due the company; but he denies that any of these payments or transfers were made, so far as he knows or believes, in fraud of the creditors or stockholders of the company, or with any views to favoritism, or to prefer one creditor to another. On the contrary, they were made in the full belief that the assets of the company were sufficient to pay its debts in full. Defendant also denies that said settlements were made without information from the committee in New York. On the contrary, he insists they were made while the trustees were in regular receipt of advices from said committee, and with their approval; and they were continued for several days after the return of one or both members of said committee, and with like approval. Defendant admits that he paid of his own debt to the company, by checks and other means procured with difficulty for that purpose, but he obtained no discounts on the funds he procured except, in one instance, he was allowed an abatement of one year's interest upon his securing the new debt by a mortgage on the same property before mortgaged to the company; but he was compelled to submit to heavy losses on sale of securities to raise the means to pay off said debt, which payment he then supposed and still supposes was for the benefit of said company. Defendant does not know how or when the other trustees discharged their liabilities.

3. Defendant admits that the banking-house, and some other real estate in Hamilton County, was sold to the Merchants' Bank of Cleveland, on account of a large debt due to that institution, to which a larger balance still
581 remains unpaid. Said sales were fairly made at full prices, and by that arrangement a large amount of assets of the company which had been attached were restored to the company.

4. Defendant admits that no special provision was made for the settlement of the open policies in the insurance department of the company, nor for deposits, by order of any court, or by masters or guardians. He admits that the balance in favor of Mr. Hazeltone, their treasurer, was settled up in full and in good faith.

5. Defendant insists that in all the foregoing transactions the board of trustees, and their individual members, all acted in good faith to the trust confided to them, and in the full belief that the means of the company were adequate to pay all its liabilities, and in that belief they acted to prevent insolvency, and to save the assets from ruinous sacrifices and waste, on attachments, executions, and other legal proceedings, and by reason of said settlements they obtained the discontinuance of many suits, and the restoration of a large amount of assets from the custody of the sheriff for the benefit of the creditors. And the defendant asserts that when the board of trustees became convinced of the insolvency of the company they executed the assignment for the benefit of all the creditors. In selecting members of the board of trustees for assignees, no one, so far as the defendant knows or believes, had any design to prevent investigation into the affairs of the company, or to screen themselves from any responsibility. On the contrary, their sole aim was to put the assets into the hands of men of integrity, familiar with the affairs of the company, responsible, and competent to settle them up in the shortest time and at the least expense. They thought that acquaintance with the complicated affairs of the company was an important element in *in* creating trustees to correct them up for the benefit of
582 all concerned. All the persons named as trustees objected to serve

as such, and were finally induced to accept the assignment by the advice of counsel, with no other than the single desire to aid in making the assets available as far as possible to satisfy all the creditors, and he is satisfied that had the difficulties they have met with in the discharge of their duties been foreseen, not one of them would have accepted the trust.

6. Defendant admits that some of the trustees are advanced in years; that some of them are engaged in extensive business. He admits that some creditors claim that the trustees are individually liable for the debts of the company; that some complain of the mismanagement of the trust and of the report lately made, and also that the number of assignees is inconveniently large. But defendant insists that but a small portion of the creditors unite in these complaints, and those representing far less than a moiety of the debts. Defendant denies that he or his assigns, to his knowledge, have in any way mismanaged the trust confided to them; that any loss to the same has been occasioned by any act of theirs, or by any neglect or unwillingness to encounter the responsibilities of the same, or of any duty enjoined on them by it. He denies any effort on his own part, or that of the other assignees, to shift from themselves to the creditors any deficiency or loss in the assets under their care.

7. Defendant admits that the affairs of the trust are complicated and important, and require prompt and energetic action, whether administered by the present or any other trustees, and that it is important that they should be administered under the supervision of a court, with competent powers to finally settle difficult questions, which no trustees without such judicial power can do.

9. Defendant is entirely willing to have the trust in question exe-
583 cuted under the supervision of this court, by such instrumentalities as it may deem best adapted to the preservation of the assets, and their economical and speedy conversion for distribution among the creditors, and to that end the trust he holds is hereby placed at the disposal of this court.

JOHN C. WRIGHT, [in person.]

STATE OF OHIO, *Hamilton County, ss:*

Personally appeared the above-named John C. Wright, who, being sworn, says he believes the statements in the above answer are true.

J. C. WRIGHT.

[SEAL.] CHARLES W. DIETRICH, *Notary Public.*

And afterwards, to wit, on the 27th day of October, at said term of October, A. D. 1858, the following entry was made on the journal of said court in said cause, to wit:

SPINING & BROWN
vs.
THE OHIO LIFE INS. AND TRUST CO. *et als.* } No. 9776.

Leave is given to make Fred. Sturgaman a party defendant in this cause, who now by his att'y enters his appearance, and leave is given him to file his answer. And thereupon, on the said 27th day of October, A. D. 1858, came the said defendant F. H. Sturgaman, by Thomas C. Nesmith, his attorney, and filed his answer in this cause in the words and figures following, viz:

Answer of F. H. Sturgaman.

Superior court of Cincinnati.

SPINING & BROWN
vs.
THE OHIO LIFE INS. AND TRUST CO. *et als.* } No. 9776.

Frederick H. Sturgaman, having, by leave of court, been made a party defendant in this suit, for answer to the plaintiffs' petition states that at the December term, 1857, of this court, he received a judgment against the said Ohio Life Ins. and Trust Co. for the sum $2,549 65, besides costs of suit; that he caused execution to be duly issued thereon, which was returned
584 endorsed: No goods or chattels, lands or tenements of the defendant on which to levy. And that this defendant knows of no property belonging to said trust company liable to execution.

This defendant further states that at the October term of the circuit court of the United States for the southern district of Ohio, James C. C. Bell, Robert Grant, and James Martin, all aliens, and subjects of Great Britain, filed their bill of complaint against the Ohio Life Ins. and Trust Co., of Ohio, having its principal office in Cincinnati, in said district, and others, all of whom are defendants in this action, and praying relief against these defendants in the same manner, and for the same matters, and to the same effect as the said plaintiffs now pray by their said present petition in this action.

This defendant further states that on the 16th day of October of said term aforesaid said defendants were duly served with process, and that the said circuit court acquired jurisdiction of said suit before proeess was served in this action, and before this court had obtained jurisdiction in this action; and on the 18th day of Oct. aforesaid appeared by attorney in said court, and after argument the said court enjoined the said defendants from interfering in any way with the assets of said trust company, and to hold the same subject to the further order of said court.

This defendant further states that the said complainants' bill in the said circuit court of the United States, and the said proceedings in the said cause, now remain depending as of record in said honorable court, the said cause being undetermined and undismissed. This defendant therefore demands the judgment of this honorable court whether he shall be put to make any other or further answer thereto, and prays that the plaintiffs' petition may be dismissed.

THOMPSON & NESMITH,
Atty's for def't Sturgaman.

STATE OF OHIO, *Hamilton County, ss:*

Fred. H. Sturgaman, the above-named defendant, being duly sworn, deposes and says the matters set forth in the foregoing answer he believes to be true.

FRED. H. STAGAMAN.

Sworn to before me, and subscribed in my presence, this 27th day of Oct., 1858.

[SEAL.] CHARLES C. BROWN, *Notary Public.*

585 And on the same last aforesaid came the said plaintiffs by their attorneys, and *and* filed their reply to the answer to the said Fred. H. Stagaman, in the words and figures following, to wit:

Reply.

Superior court of Cincinnati.

CHARLES E. SPINING *et al.*
vs.
THE OHIO LIFE INSURANCE AND TRUST COMPANY. } 9766.

The reply of the plaintiffs to the answer of Frederick H. Stagaman:

1. These plaintiffs for such reply state first that said Sturgaman and said Bell, Grant & Martin named in the answer, are all creditors of the said company, and that the bill so filed by Bell, Grant & Martin is filed by them as such creditors, and as *cestuis que* trust of said trustees Stetson, Fosdick, Taylor, Crawford, Dietrich, Broadwell, and Wright.

2. They deny that in the cause pending in the Federal court service of process was made on the defendants Fosdick, Dietrich, and Crawford, on the 16th day of Oct., or before the receiver was appointed and took possession in this cause.

3. They aver that the appearance of the defendants in said Federal court on Monday, Oct. 18, was merely by attorney, to deny and protest against the jurisdiction of that court.

4. They aver that this court had jurisdiction of this cause before the circuit court acquired jurisdiction in said cause there pending.

5. They aver that they are citizens and residents of Ohio, and are not and cannot be *be* parties to said cause pending in the circuit court.

MILLS & HOADLY, *Attorneys for Plaintiffs.*

STATE OF OHIO, *Hamilton County:*

Charles Brown, being duly sworn, says that he is one of the firm of Spining & Brown, and that he believes the statements in the foregoing reply to be true.

CHAS. BROWN.

Subscribed in my presence, and sworn to before me, this 27th day of October, 1858.

[SEAL.] LEWIS E. MILLS, *Notary Public.*

586 And afterwards, to wit, on the 28th day October, A. D. 1858, the following order was made in said cause, and entered upon the journal of said court, to wit:

SPINING & BROWN
vs.
THE OHIO LIFE INSURANCE AND TRUST COMPANY *et al.* } 9776.

And now, on motion of the plaintiffs, it is ordered that the sheriff deposite for collection and demand, notice and protest, if necessary, with the banking house of Groesbeck & Co., all promisory notes and bills of exchange which have come into his hands in this cause, and are yet to mature.

And on the same day last aforesaid a further entry was made in said cause and in said court in the words following, to wit:

SPINING & BROWN
vs.
THE OHIO LIFE INSURANCE AND TRUST COMPANY *et al.* } 9776.

This cause came on to be heard upon the petition, the answer of Frederick Stagaman, and the reply and testimony, and upon consideration the

court are of opinion that this cause was commenced on the 14th day of October, 1858, and that it then acquired jurisdiction thereof, and that said jurisdiction has not been ousted, and is not affected by the commencement in the circuit court of the United States for the seventh circuit and southern district of Ohio, of the action in chancery in said answer described, to which finding of the court said Stagaman excepts, and moves for a new trial, which motion is overruled, and he again excepts.

Wherefore, it is ordered and adjudged that said Stagaman go hence, and take nothing by his answer aforesaid, and that the plaintiffs recover of him their costs incurred by the filing of his answer and hearing thereon; and he has leave, if he desires, to answer to the merits. To which ruling and judgment he accepts.

And now it is ordered by the court, upon the motion of the plaintiffs, that Richard Mathers, esq., sheriff of Hamilton County, continue to act as
587 receiver in this cause, but with enlarged powers, and that he be authorized to proceed to collect and receive all moneys due or to become due to the said Ohio Life Insurance and Trust Company, or their assignees; that he take an inventory of all property which has or may come to his hands, and report the same to this court. But before he act under this enlargement of powers he is required to give an undertaking to the State of Ohio in the sum of ten thousand dollars, and take the oath required by section 255 of the Code of Civil Procedure. And he offers as securities upon said undertaking Robert C. Hazelwood, James Cooper, S. Eureh, J. Buckingham, who are approved by the court. And the undertaking aforesaid is now filed, and oath administered in open court.

And on the said 28th day of October, A. D. 1858, said defendant, F. H. Stagaman, by his attorneys, filed the following motion in said cause, viz:

Motion.

Sup. court.

SPINING & BROWN
vs.
THE OHIO LIFE INSURANCE AND TRUST COMPANY. } No. 9776.

Motion to vacate the former order of this court appointing the sheriff receiver, for reasons on file.

THOMPSON & NESMITH,
Atty's for F. H. Stagaman.

And afterwards, to wit, on the 28th day of October, 1858, the following entry was made in said cause in said court, to wit:

SPINING & BROWN
vs.
THE OHIO LIFE INSURANCE AND TRUST COMPANY *et al.* } 9776.

Motion by Frederick Stagaman to vacate the order made on the 18th day of October, 1858, appointing Richard Mathers, sheriff of Hamilton County, receiver in this cause, is now heard and overruled, to which action of the court said Sturgaman excepts.

And afterwards, to wit, on the 30th day of October, A. D. 1858, the bill of exceptions in this cause was signed, sealed, and ordered to be made part of the record, in the words and figures following, to wit:

588 *Bill of exceptions.*

Superior court of Cincinnati.

SPINING & BROWN
vs.
OHIO LIFE INSURANCE AND TRUST CO. *et al.* } 9776.

Be it remembered, that on the trial of this case before Judge Glaolson, one of the judges of the superior court of Cincinnati, at the October term, 1858, Frederick H. Stagaman, having by leave of court been made a party to this action, and having filed his answer, setting forth that at the December term of said court, 1857, he recovered a judgment against said trust co. for $2,549 65, besides costs of suit; that execution had been duly issued thereon, and returned unsatisfied; that at the October term, 1858, of the circuit court of the United States for the southern district of Ohio, Bell & Grant, of England, filed a bill of complaint against said trust co., praying relief, &c., as in the bill of petition filed in this case; that on the 16th day of October, 1858, and before service was had upon the defendants in this court, said defendants were duly served with process therein, and that on the 18th day of Oct., 1858, appeared by counsel in said court, and that after argument the said court enjoined the said defendants from interfering in any way with the assets of said trust co., and to hold the same subject to the further order of said court; that said proceedings in said United States circuit court were at the time of the filing of said Stagaman's answer still depending, and of record and undetermined, and claiming that on account thereof this *this* the superior court had no jurisdiction, and praying that the plaintiff's bill or petition in the said superior court might be dismissed; and the plaintiffs having filed a reply thereto, the said Sturgaman, to maintain the issue upon his part, introduced the following evidence:

589 United States circuit court, seventh circuit and southern district of Ohio.

BELL & GRANT
vs
THE OHIO LIFE INSURANCE AND TRUST CO. *et al.* } In chancery.

On motion of plaintiffs, the court do order that an injunction issue to the said trustees and said assignees, ordering and directing them to stay further proceedings with respect to the assets of said corporation, and to hold the same subject to the further order of this court, and the application for receiver is continued until next Saturday.

Monday, Oct. 18th, 1858.

JOHN McLEAN,
Justice Sup. U. S. seventh circuit.
H. H. LEAVITT,
Dist. Judge U. S. southern district of Ohio.

It was also admitted that the bill of Bell & Grant, on which the above injunction issued, was filed in the circuit court of the United States for the southern district of Ohio, on the 16th day of Oct., 1858, and that service of subpœna was had on four of the defendants the same day, and that the same day service was made the same defendants that a motion for appointment of receiver would be made therein.

UNITED STATES OF AMERICA,
Southern district of Ohio, ss:

I, William Miner, clerk of the United States circuit court, seventh district

of Ohio, do hereby certify the foregoing order to be taken and truly copied from the journal of the proceedings of said court as the same remain of record in this office.

590 In testimony whereof, I have hereunto set my hand and affixed the seal of said court, this 25th day of October, A. D. 1858, and of the independence of the United States of America the 83d.

WILLIAM MINER, *Clerk.*

The attorneys for said Sturgaman having made a motion for continuance on the ground of the absence of W. L. Manson and Frank Armstrong, two subpœned witnesses on his behalf, the following affidavit of E. A. Thompson was read and filed by permission of the plaintiffs and the court, as the depositions of said Manson and Armstrong:

STATE OF OHIO, *Hamilton County, ss:*

E. A. Thompson makes oath and says that W. L. Manson, deputy United States marshal of the southern district of Ohio, is a material witness for the defendant Sturgaman in this case; that he caused a subpœna to be issued for said Manson, which is returned, served at residence; that he expects to prove by said Manson that several of the defendants in this case, including the Ohio Life Ins. and Trust Co., and three or four of the assignees, were served with process issued on the bill of Bell & Grant, in the U. S. circuit court for this district on the 16th day of Oct., 1858; and that the order of injunction which was allowed by said circuit court was served upon one of said assignees at about seventeen minutes past eleven o'clock a. m: of the 18th day of Oct., and before Richard Mathews obtained possession of any of the assets of said trust co.

Affiant further says that Frank Armstrong is also a material witness for said Sturgaman in this case; that said Armstrong has been subpœned and served personally; that he expects to prove by said Armstrong that none of the defendants were served with process in this case till the 18th day of October, 1858, and then only on two or three, and affiant believes he

591 can prove by said Armstrong and said Manson that this service was not in fact made until after the service of the injunction from the United States court.

Affiant knows of no other witness by whom he can prove these facts; that he is informed that said witnesses will be here to-morrow, and that this application is not made for delay.

E. A. THOMPSON.

Sworn to and subscribed in my presence this 27th day of Oct., 1858.

R. H. STONE, *Clerk.*
L. GWYNNE, *Deputy.*

Said Sturgaman next read the following statement, by consent, as a deposition:

All I know of this matter is about as follows: I chanced to be in the court-room on my own business on the morning of the former application for a receiver—coming whilst Judge Mathews was arguing the case, and stayed principally for the pleasure of hearing the discussion. When it was over, the court, by Judge McLean, indicated its course—a provisional injunction. Mr. Nath'l McLean first asked his colleague, Mr. Stanbery, and then the court, whether this course would secure the funds or other assets from seizure by another court. Mr. Stanbery replied (as I understood from the very slight attention I was paying) that this depended wholly upon the question

whether the order obtained jurisdiction of the case, and he thought it did. Judge Mathews replied to Mr. McLean, when he asked this question of the court, that it would be sufficient to settle the question of jurisdiction when it arose. Mr. McLean then arose and asked the court to make a special direction in the injunction to be issued against any disposal of the property, and to bring it into this court. At this point, as he concluded this re-
592 quest, I left. Went up to see my friend W. H. Corrysal, and talked with him, as usual, some time, and then went to the county court-house. At the door I met Mr. Fosdick coming out. It then occurred to me to inquire of the condition of the case up stairs. He replied that Judge Spencer was about to give his decision. I mention this fact rather to help, by the aid of others, to fix the time of my arrival there, which I am informed is the point wanted of me rather than for any other purpose. Upon my reaching the court-house Judge Wright, perhaps, was making some remark or other about the case. I then said to Judge Stalls, whom I first accosted, "This seems to me too late; the other court has made its order," &c. Mr. McCook thereupon repeated this to Mr. Corwin, who went forward to the desk where the attorneys in the case were, and said what I know not. In a few minutes Judge Spencer commenced giving his decision. I am not certain of the precise period of time in these transactions when Judge Mathews arrived. A short time after he arrived, however, Mr. Nesmith came up and asked Judge Mathews if it were true that the circuit court, &c. The Judge said it refused to appoint a receiver, but issued a provisional injunction, &c., &c. Nesmith then went forward, whilst Judge Spencer was answering some question as to the sheriff's bond, and informed the court of the proceedings in this court. And further saith not.

CHARLES ANDERSON.

UNITED STATES OF AMERICA,
Southern district of Ohio, ss:

I, William Miner, clerk of the United States circuit court, seventh
[SEAL.] circuit and southern district of Ohio, hereby certify the foregoing to be truly taken and copied from the original as the same remains of file in this office.

In testimony whereof, I have hereunto set my hand and affixed the seal of said court this 23d day of October, A. D. 1858, and of the independ-
593 ence of the United States of America 83d.

WILLIAM MINER, *Clerk.*

A.

Superior court of Cincinnati.

CHARLES E. SPINING AND CHARLES BROWN, partners as Spining & Brown, *vs.* THE OHIO LIFE INSURANCE AND TRUST COMPANY, Charles Stetson, Samuel Fosdick, Abraham M. Taylor, George Crawford, Clement Dietrich, John C. Wright, and Samuel J. Broadwell.	9776

The defendants will take notice that on Monday next, the 18th day of October, 1858, at 10 o'clock a. m. of said day, or as soon thereafter as the same can be heard, the above-named plaintiffs will apply to the Honorable Oliver M. Spencer, judge of the superior court of Cincinnati, at special term of said court, for the appointment of a receiver, to take charge of the assets

and property assigned by the Ohio Life Insurance and Trust Company to their co-defendants above named, and reduce the same to money, under the directions of said court, and generally to execute the trust created by said assignment.

MILLS & HOADLY,
Attorneys for plaintiffs.

Cincinnati, Oct. 14, 1858.

Served a copy of the within notice upon Samuel J. Broadwell, at the office of the Ohio Life Insurance and Trust Company.

Cincinnati, Oct. 14, 1858.

LEWIS E. MILLS.

594 Which was all the testimony offered by said Sturgaman.

The plaintiffs then introduced the following witnesses, who testified as follows:

L. Mills, examined by Judge Hoadly, testified that a notice of application in the circuit court for the appointment of a receiver was served on the 14th of Oct., and exhibited a copy of the notice served on said day at the office of the Ohio Life Ins. and Trust Co. and their assignees, on Samuel J. Broadwell, chairman of the said assignees, which copy was read in evidence, and is hereto annexed, marked "A."

Judge Coffin testified that the assignees made due appearance in the superior court before Judge Spencer, when Judge Wright (with whom he was associated) submitted the whole matter to the consideration of the court without any attempt to resist.

Cross-examined:

Was not the object of the assignees to oust the jurisdiction of the U. S. court and get the case into this court?

Ans. I do not know of any such understanding.

Q. At what time of day was the entry made upon Judge Spencer's order?

Ans. The hour I cannot tell; my impression is, it was about 10 o'clock.

Judge Mathews examined: Understanding an application was to be made in the circuit court for the appointment of a receiver, attended there for the purpose of asking a postponement until the return of Mr. Worthington to the city; did not enter my appearance for defendant.

Cross-examined by Mr. Thompson:

Did you not go through the bill and argue the whole case?

Ans. No, nor any of it; nothing but the question of a continuance, and I stated as one of the grounds that the bill did not justify the action of the court at all.

Q. Do you know of Mr. Broadwell waiting on the corner of the street for the sheriff in order to put that officer in that possession?

Ans. I do not.

595 Q. Did you come from the U. S. court to the superior court after hearing Judge McLean's decision that morning?

Ans. Yes.

Q. Had Judge Spencer delivered his opinion before you came into this court?

Ans. I suppose so; for he did not deliver any after.

Mr. Broadwell, examined by Judge Hoadly: Shortly after the order was entered by Judge Spencer, the sheriff having requested the delivery of the property, witness went with him to the trust co. building, showed him where the property was, and he took possession. It was then 20 minutes after 11 o'clock.

Cross-examined:

Keeps Beggs & Smith's time. [A laugh.] His meeting with the sheriff was accidental. Did not keep out of the way of the marshal to avoid service, but the officer, intent on some other matter, passed him on the street. [A laugh.] Mr. Broadwell also certified that on Friday, Oct. the 15th, he communicated the notice which was served on him to his co-assignees, and on that day they procured a copy of the petition.

Mr. Dietrich testifies that he was served with process from U. S. court on Tuesday, 19th inst.

Mr. Crawford testifies that it was after twelve o'clock, on Monday week, that he was served from same court.

Mr. Fosdick also was served on that day between eleven and twelve o'clock. He did not attempt to avoid any process; never tried to avoid any man unless a lunatic or a drunkard. The other four assignees was served on Saturday, the 16th of October.

Judge Wright testified that on the part of himself and co-assignees, the appearance in the superior court was made and the submission was perfect.

N. C. McLean examined:

Is one of the attorneys of Bell & Grant.

Q. Did you hear that a bill had been filed in this court for the purpose of circumventing the proceedings in that case of Bell & Grant in the United States court?

A. I heard some remark made of that sort.

Judge Hoadly: Was it not by Mr. Thompson? [A laugh.]

McLean: Well, I cannot tell by whom.

McLean also testified that before the bill of Bell & Grant was filed he had heard of the filing of the petition in this cause.

596 They also offered in evidence a copy of the affidavit of Wm. L. Manson, as follows:

UNITED STATES OF AMERICA,
Southern district of Ohio, ss:

William L. Manson makes oath and says that he is a depety United States marshal for said district; that on the 18th day of Oct., 1858, at the hour of twenty minutes past eleven o'clock a. m., he served upon Samuel Fosdick, one of the assignees of the Ohio Life Ins. and Trust Co., personally, by reading a copy of the order of injunction issued by the circuit court of the United States on the said 18th day of Oct., in the case of Bell & Grant *vs.* the Ohio Life Ins. and Trust Co. He further states that five minutes had not elapsed between the service upon the said Fosdick and his being at the office of the said assigeees of said Ohio Life Ins. and Trust Co., at which place he was unable to find any one excepting a young man, who was not one of the officers of the said co., as he supposed on account of his youth. He knows that the sheriff had not taken possession of the assets of said company at

that time. He made service upon said Fosdick in the banking room of the Ohio Valley Bank. And further says not.

W. L. MANSON.

Sworn to and subscribed in my presence the day and year above written.

GEORGE W. FROST, *U. S. Com'r.*

THE UNITED STATES OF AMERICA,
Southern district of Ohio, ss:

I, William Miner, clerk of the United States circuit court, seventh circuit and southern district of Ohio, hereby certify the foregoing to be truly taken and copied from the original as the same remains of file in this office. [SEAL.]

In testimony whereof, I have hereunto set my hand and affixed the seal of said court this 23d day of October, A. D. 1858, and of the independence of the United States of America the 83d.

WILLIAM MINER, *Clerk.*

597 They also showed and read to the court the summons in this action and the endorsement of the petition to the effect that the petition was filed and the summons issued thereon the 14th of Oct., 1858, and also the return of the sheriff, showing service on the 21st Oct., 1858; which was all the evidence offered by the plaintiffs.

Thereupon found in favor of the plaintiffs and against the defendants on said issue, and decided that the court had jurisdiction and that the filing of the petition and issuing of the writ above by the plaintiffs on the 14th day of October, 1858, gave the court jurisdiction.

To which finding and order of the court said Sturgaman, by his counsel, excepted, and thereupon entered his motion for a new trial of said issue, which was overruled by the court and a judgment rendered against said Sturgaman for the costs.

To which overruling of said motion and the entering of said judgment for costs defendant Sturgaman again excepted and filed this his bill of exceptions, which he prays may be signed and sealed, which is done accordingly.

The said superior court having heretofore in this case appointed Richard Mathers, sheriff of Hamilton County, receiver, said defendant Sturgaman filed his motion to have said order vacated; first, because said Mathers entered upon his duties without being sworn; secondly, he entered upon his duties before giving a bond; and, thirdly, because the court made said order without requiring said Mathers to be sworn or give a bond. And the said motion to vacate said order having been overruled by the court, the said Sturgaman excepted and filed this his bill of exceptions, which he prays may be signed and sealed, which is done accordingly.

W. Y. GHOLSON. [SEAL.]

598 And afterwards, to wit, on the 14th day of November, A. D. 1858, came the said sheriff and filed the second report in this cause, which is in the words and figures following, to wit:

2nd report of sheriff.

Superior court of Cincinnati.

SPINING & BROWN
vs.
THE OHIO LIFE INSURANCE AND TRUST CO. *et al.*

To the honorable the superior court of Cincinnati:

The second report of Richard Mathers, sheriff of Hamilton County, heretofore appointed receiver in this cause.

I would respectfully submit to court the following statement of facts:

On Saturday afternoon, October 30th, 1858, James P. Kilbreath, claiming to have been appointed by the circuit court of the United States for the seventh circuit and southern district of Ohio, in the case of Bell, Grant & Martin *vs.* the Ohio Life Insurance and Trust Company *et al.*, therein pending, receiver, of the assets and property of the said company and their assignees waited on me and demanded possession of the same assets and property of which I am receiver in this cause. I informed him that I held the same under the authority of this court, as receiver in this cause, and should not deliver them to any one without the order of this court. I am informed that on Monday, Nov. 1, 1858, he reported my said refusal to the circuit court aforesaid, Judge Humphrey H. Leavitt, presiding, and that said Bell, Grant & Martin, by Nat. C. McLean, one of their solicitors, then moved said judge that a rule issue against me to show cause why I should not be attached for contempt in refusing to deliver said property to Kilbreath, which motion was, on Tuesday, Nov. 2, 1858, granted by said judge and issued by William Miner, esq., clerk of said court, and the same has been served upon me by Lewis W. Sifford, esquire, marshal
599 of the United States for the southern district of Ohio, and I hereto attach the copy thereof delivered to me by him, from which it will appear that I am cited before said court on Friday, Nov. 5, 1858, at 9½ o'clock a. m. of said day, to show cause why I should not be attached for the alleged attempt aforesaid. As I have no intent or desire in the premises except to do my duty, I submit these facts to the court for their consideration, and would respectfully ask for instructions as to the course to be pursued.

Cincinnati, Nov. 4, 1858.

RICHARD MATHERS,
Sheriff of Hamilton County and Receiver.

To which report was attached the following copy of a rule issued by the circuit court of the United States for the seventh circuit and southern district of Ohio, to wit:

79 UNITED STATES OF AMERICA,
Southern district of Ohio, ss:

The President of the United States of America to the marshal of said district greeting:

[SEAL.] Whereas in a certain cause now pending in the circuit court of the United States, seventh circuit and southern district of Ohio, wherein James C. C. Bell *et al.* are complainants and the Ohio Life Insurance and Trust Company *et al.* are defendants, an order was this day entered as follows, to wit: "On motion to the court by the counsel for the complainants upon the coming in of the report of the receiver heretofore appointed in this cause, it is ordered that a rule, returnable at 9½ o'clock a. m. on Friday, the 5th day of November, 1858, issue against Richard Mathers, E. G. Burkam, John H. Groesbeck, W. G. W. Gaus, Samuel J. Broadwell, Samuel Fosdick, John C. Wright, George Crawford, Clement Dietrich, Charles Stetson, and Abraham M. Taylor, to show cause, if any they have, why they should not be attached for contempt in disobeying the orders of this
600 court heretofore made in this cause in regard to the assets of the Ohio Life Insurance and Trust Company."

You are therefore hereby commanded to cite and give notice to the said Richard Mathers, E. G. Burkam, John H. Groesbeck, W. G. W. Gaus, Samuel J. Broadwell, Samuel Fosdick, John C. Wright, George Crawford, Clement Dietrich, Charles Stetson, and Abraham M. Taylor, to appear before

the judge of the circuit court of the United States for the seventh circuit and southern district of Ohio, at Cincinnati, on Friday, Nov. 5th instant, at 9½ o'clock a. m., in the forenoon of that day, to answer to the above-recited order of said court. Hereof fail not, and have there and then this order.

Witness the Honorable Roger B. Taney, chief justice of the United States, this 2nd day of November, in the year of our Lord one thousand eight hundred and fifty-eight, and of the independance of the United States of America the eighty-third.

Attest: WM. MINER, *Clerk.*

Which said copy was endorsed on the back as follows, to wit:

United States circuit court, southern district of Ohio. James C. C. Bell *et al. vs.* the Ohio Life Insurance and Trust Co. *et al.* Rule returnable Nov. 5th, 1858.

A true copy of the original.

LEWIS W. SIFFORD, *Marshal.*
STANBERY & McLEAN, *Sol'rs for Comp'ts.*

601 And afterwards, to wit, on the said 4th day of Nov. A. D. 1858, come the said sheriff and filed his third report in this cause, which is in the words and figures following, to wit:

3rd report of sheriff.

Superior court of Cincinnati.

SPINING & BROWN
vs. } 9776.
THE OHIO LIFE INSURANCE AND TRUST CO. *et al.*

The third report of Richard Mathers, sheriff of Hamilton County, heretofore appointed receiver in this cause.

To the honorable the superior court of Cincinnati:

The undersigned now comes and, for the purpose of correcting a misapprehension, would submit the following statement:

On Monday, October 18, 1858, he notified the Lafayette Banking Company of his appointment as receiver, and was by them referred to E. S. Haines, esq., their counsel, by whom he was informed that that fund described in his first report and held by that company was subject to his orders, and that said company recognized him as entitled thereto. Subsequently, when he demanded the money, payment was refused by Mr. Gaus, cashier of said company, but, as he is now informed, said Gaus was not then informed that said Haines had placed the fund at the disposal of the undersigned, and now said company hold the same, as they advise him, subject to the order of this court.

Cincinnati, Nov. 4th, 1858.

RICHARD MATHERS,
Sheriff of Ham. Co., and Receiver.

And afterwads, to wit, on the said 4th day of November, at the term of November, A. D. 1858, of said court, the following order was entered on the journal thereof in said cause, in the words and figures following, to wit:

602 SPINING & BROWN
vs. } 9776.
THE OHIO LIFE INSURANCE AND TRUST CO. *et al.*

It appearing by the report of Richard Mathers, sheriff of this county and

receiver appointed by the court in this action, that he has been served with a rule to show course in reference to the possession of property in his hands as such receiver, before the circuit court of the United States for the seventh judicial circuit in the southern district of Ohio, on Friday, the 5th day of Nov., 1858, it is ordered that the said Richard Mathers be at liberty to procure and furnish to the said circuit court a transcript of the proceedings of this court heretofore had in this action, and to state that the said property is in his possession as the officer and receiver of this court. But the said Richard Mathers shall in no manner submit to the decision of the said circuit court any question as to the jurisdiction of this court or the regularity of its proceedings in this action.

And on the same day last aforesaid, at the term aforesaid of said court, the following further order was made and entered in said cause, viz:

SPINING & BROWN
vs. } 9776.
THE OHIO LIFE INSURANCE AND TRUST COMPANY and others.

The sheriff of Hamilton County, Richard Mathers, esq., who has heretofore been appointed by this court receiver of the assets and property of the Ohio Life Ins. and Trust Co. aforesaid, and has now the possession and custody thereof under his appointment, now comes into court and makes his report in writing, by which it appears that on Saturday, the 30th Oct. last, James P. Kilbreath, esq., claiming to have been appointed receiver of said company under the authority of the circuit court of the United States
603 in the 7th circuit and southern district of Ohio, demanded of said Mathers the custody and control of said assets and property, which he, said Mathers, then and there refused to deliver to him. And afterwards, to wit, on the 1st day of Nov. instant, the said Kilbreath, through the instrumentality and by the assistance of Nathaniel C. McLean, well knowing of the appointment of said Mathers by this court and his right to act as receiver in this cause, have caused to be issued from said circuit court of the United States aforesaid, and served upon said Mathers a rule to show cause why he should not be attached for a contempt of said court for not delivering up said assets and property aforesaid to said Kilbreath, all which is a direct interference with and an attempt to control the conduct of an officer of this court, it is now here ordered that a rule to show cause issue to said James P. Kilbreath and Nathaniel C. McLean, requiring them to appear before this court, sitting in special term, on Saturday, 6th day of November inst., at 10 o'clock a. m., and show cause why they should not jointly be attached for contempt for interfering with said Mathers in the discharge of his duties as receiver aforesaid.

604 THE STATE OF OHIO,
Hamilton County, city of Cincinnati, sct.:

I, Richard H. Stone, clerk of the superior court of Cincinnati, within and for the city, county, and State aforesaid, do hereby certify that the above and foregoing contains a true and correct transcript of all the pleadings, papers, journal entries, and proceedings on file and of record in my office, in the cause above named so far as the same has progressed, and that the said cause is still pending in said court.

In testimony whereof, I have hereunto set my hand and affixed the seal of said court at Cincinnati, this 5th day of November, A. D. 1858.

R. H. STONE,
Clerk of the superior court of Cincinnati.

605 THE STATE OF OHIO, *Hamilton County, city of Cincinnati, ss:*

The superior court of Cincinnati.—Action for relief, the appointment of a receiver, &c.

CHARLES E. SPINING AND CHARLES BROWN, PARTNERS as Spinning & Brown, plaintiffs,
against
THE OHIO LIFE INSURANCE AND TRUST COMPANY *et al.*, defendants. } 9776.

Be it remembered, that heretofore, to wit, on the fourteenth day of October, anno Domini one thousand eight hundred and fifty-eight, came the above-named plaintiffs, by Mills & Hoadly, their attorneys, and filed in the office of the clerk of this court their certain petition against the above-named defendants, clothed in the words and figures following, to wit:

The State of Ohio, Hamilton County, superior court of Cincinnati.

CHARLES E. SPINNING AND CHARLES BROWN, PARTNERS as Spinning & Brown,
vs.
THE OHIO LIFE INSURANCE AND TRUST COMPANY, Charles Stetson, Samuel Fosdick, Abraham M. Taylor, George Crawford, Samuel G. Broadwell, John C. Wright, and Clement Dietrich. } Petition.

The plaintiffs state that the Ohio Life Insurance and Trust Company is a corporation created by act of the general assembly of the State of Ohio, with power to receive money on deposit and loan the same, to discount mercantile paper, to grant annuities, insure lives, accept trusts, and generally to do and transact any and all business usually done by a banking, trust, and life insurance company; that the capital stock of said company, as prescribed in the act of incorporation, is two millions of dollars, which they were authorized and required to loan at seven per cent. interest upon the security of mortgages upon real estate in the several counties of said State; that under said act of incorporation said com-
606 pany had transacted business for many years, having their principal office in the city of Cincinnati, and an agency in the city of New York, until the month of August, 1858, when it was suddenly discovered that the same was and had been for some time previous greatly embarrassed for want of means to carry on its business, by reason of heavy losses, principally incurred at the New York agency, and by reason of gross mismanagement had become and was utterly and entirely insolvent. And the plaintiffs further state that thereupon said company closed their doors, that all their assets in New York to a very large amount were seized under process of foreign attachments, and a very large number of suits were commenced against them in Ohio. And they further state that before and at the time of the said failure of said company, the defendants Stetson, Fosdick, Taylor, Crawford, Broadwell, Wright, and Dietrich, were members of the board of trustees of the same upon whom devolved by the charter the government of the same, and actively participated in the management thereof, and that said Stetson was the president thereof; that after such failure for about a month they with their co-trustees continued to manage the affairs of said company, that without making a thorough investigation of the condition of the affairs thereof, and without waiting for the report of a committee whom they had appointed to make such investigation at the New York office, they discharged large debts of the company in full by allowing such debts to be used at par in payment of the claims of said company against good and responsible men, and by allowing solvent debtors of the company to purchase at a dis-

count stocks of depositors and use the same at par in payment of their debts. That in this way they disposed of by far the greater portion of the valuable assets and property of the company, and being all or nearly
607 all debtors of said company they paid their own debts in the same way; that they conveyed the banking-house and other real estate of the company to the Merchants' Bank of Cleveland, in payment of a large indebtedness in full; that they made no provision for the security of holders of life insurance policies, some of whom had been paying them premiums for twenty-five years; that though they were by rule of the district court of the United States for the southern district of Ohio, and in pursuance of law, constituted the registry of that court, and as such had on deposit a large sum of money, they made no provisions therefor, nor for the large sums which in pursuance of their charter had been deposited with them by order of this and other courts, and by guardians, administrators, executors, and master commissioners; that they paid in full in money and property a debt due to the county of Hamilton, in which they, said trustees, or some of them, were responsible as endorsers for said company; and thus having disposed of the larger portion of the means of said company, they, said trustees, on or about the 22nd day of September, 1857, in the name of said company, made a conveyance or assignment of the remaining assets and property of said company to the defendants Stetson, Fosdick, Taylor, Crawford, Broadwell, Wright, and Dietrich, in trust for the equal benefit of the creditors of said company, to be by said defendants reduced to money and divided proportionately among said creditors. And the plaintiffs state that thereupon said defendants accepted said trust and commenced the discharge of the duties thereof, and have ever since been professing to be engaged therein; that more than a year has elapsed, and as yet no dividend has been declared to the creditors, and very little progress made in the settlement and liquidation of the affairs of said company; that no statement or report was
608 made to the creditors of the condition of the same until within a few weeks last past, and that the report then made known little else than the fact that said assignees had acquired but little information with regard the property of the company, and had realized little from its outstanding claims, and that said report was evidently prepared more with reference to a justification of the acts of the defendants as trustees than for the purpose of informing the creditors as to the condition of the company. And the plaintiffs further state that it was manifestly improper that the assignment should be made to the defendants because they had been and were trustees; because as such many of the creditors claimed that they were personally responsible for any deficiency in the assets, in consequence of the failure having been as was and is alleged caused by the negligence and mismanagement of said trustees, and at least one creditor is now prosecuting a suit to fix said liability, and others are threatening the same; because some of them are advanced in years and wanting in the energy and activity necessary for the discharge of the duties of a complicated trust; because others were engaged in extensive business and absorbing occupations requiring most of their time; because so large a number of assignees is of necessity a body unwieldy and incapable of that prompt and decided action indispensable in such a case to save the property from waste and prevent its being consumed by expenses; and because, having been trustees of an institution the management of which had been greatly and justly complained of, they could not forget, when acting as assignees, that they were also trustees, and that their conduct as such needed explanation; and for all these and other sufficient reasons, as soon as the fact of the assignment was made known, loud and just complaints were made by creditors, and nearly if not quite all
609 the creditors became, were, and are all greatly dissatisfied therewith. And the plaintiffs further state that the result has justified the an-

ticipations that were thus entertained, and the said assignees have proved grossly inefficient and inadequate to the execution of the trust; that they cannot act without getting together in a formal meeting, and therefore are seldom prepared to take definite action, and then only after the delay attendant upon a discussion when they have succeeded in bringing together a quorum; that such quorum cannot always be had; that it is doubted whether ever a quorum or majority can legally act unless all are present, and the attendance of all can rarely be had; that the machinery of seven assignees is necessarily cumbrous and unnecessarily expensive, and so by the very constitution of the body and the inefficiency of the assignees, the property which ought to be applied to the payment of debts is passing away without benefit to any one. And the plaintiffs also represent that the affairs of said company are very much entangled and require vigorous, intelligent, and prompt action for their settlement, and that great losses will be sustained if defendents are left to act as heretofore, hesitating to take responsibility and letting valuable time elapse without the accomplishment of any valuable result; that the nature of said affairs and their complications and entanglement by reason of past mismanagement, is such as especially to require that said trust should be executed under the direction of a competent court to whom resort can be had in cases of difficulty. And the plaintiffs further state that the assets of said company are valued by said assignees in their said report at upwards of seven hundred thousand dollars; that it is not pretended by them that these assets will pay more than thirty per cent. of the debts, leaving a deficiency of abont a million and a half of dollars; that if the defendants and their former co-trustees
610 should be held responsible therefor they will all be rendered totally insolvent, and that the said assignees have given no security for the safety of said assets or the discharge of their duties. And the plaintiffs further represent that before and at the time of the failure of said company, they were depositors of money therein and creditors thereof; that at the November term, 1857, of this court they recovered judgment for the amount so due them, being the sum of two thousand and twenty-four 46-100 dollars and costs, which judgment is still in full force, unreversed and wholly unsatisfied. And they further say that there are many other creditors in this and other States of the United States and in Europe, for whose benefit as well as their own so far as said creditors approve of the filing of this petition they bring this suit. Wherefore they pray that a reciever may be appointed to take charge of the assets and property of said company, and that he may under the direction of this court proceed with the execution of said trust; that security may be required for the safety of said assets and the discharge of his duties; that the said assets may be by him reduced to money and divided among the creditors as speedily as reasonably may be.

MILLS & HOADLY, *Attorneys for Plaintiffs.*

THE STATE OF OHIO, *Hamilton County, ss:*

Charles Brown, one of the plaintiffs, being duly sworn says that the statement of the foregoing petitions are true.

CHARLES BROWN.

Subscribed in my presence and sworn to before me this 14th day of Oc tober, 1858.

[SEAL.] LEWIS E. MILLS, *Notary Public.*

On the back of said petition is the following præcipe, to wit:

Petition in action for relief; the appointment of a receiver, &c. Issue summons in above cause.

MILLS & HOADLY, *Attorneys.*

And afterwards, on the same day and year aforesaid, there was issued from the office of the clerk of this court a certain summons directed to the sheriff of Hamilton County, clothed in the words and figures as follows, to wit:

THE STATE OF OHIO,
Hamilton County, city of Cincinnati:

611 Superior court of Cincinnati to the sheriff of the county of Hamilton:

You are commended to notify the Ohio Life Insurance and Trust Company, Charles Stetson, Samuel Fosdick, Abraham M. Taylor, John C. Wright, Clement Dietrich, Samuel J. Broadwell, and George Crawford, defendants, that they have been sued by Charles E. Spinning and Charles Brown, partners as Spinning & Brown, plaintiffs, in the superior court of Cincinnati, and that unless they answer by the 13th day of November, A. D. 1858, the petition of the said plaintiffs against them, filed in the clerk's office of said court, such petition will be taken as true, and judgment rendered accordingly. You will make due return of this summons on the 25th day of October, A. D. 1858.

Witness my hand and the seal of said court, at Cincinnati, this 14th day of October, one thousand eight hundred and fifty-eight.

[SEAL.] R. H. STONE,
Clerk of the superior court of Cincinnati,
By JNO. L. THOMPSON, *Deputy.*

Which said summons is endorsed as follows, to wit: Summons in action for relief; the appointment of a receiver, &c., to 25th day of Oct. 1858. Mills and Hoadly attorneys.

And afterwards, to wit, on the twenty-fifth day of October, in the year aforesaid, came the sheriff of Hamilton County, and duly returned the summons heretofore directed to him, with his return endorsed thereon, as follows, to wit: 1858, October 21, served the Ohio Life Insurance and Trust Company, by leaving a copy of this writ at the residence of Charles Stetson, president of said company, and Samuel Fosdick, Abraham M. Taylor, John C. Wright, Clement Dietrich, Samuel J. Broadwell, and George Crawford, personally copies of said writ, and Charles Stetson, by leaving a copy of said writ at his residence.

R. MATHERS, *Sh'ff,*
By SAM'L B. HURT, *Deputy.*

And afterwards, to wit, on the twenty-third day of October, in the year aforesaid, the following answers were filed in the office of the clerk of
612 this court, clothed in the words and figures as follows, to wit:

Answer of Stetson, Taylor, Broadwell, Dietrich, Crawford, and Fosdick.

Superior court of Cincinnati.

SPINNING & BROWN
vs.
THE OHIO LIFE INSURANCE AND TRUST COMPANY, CHARLES STETSON, and others.

Charles Stetson, Abraham M. Taylor Samuel J. Broadwell, Clement Dietrich, George Crawford, and Samuel Fosdick, named in the petition as defendants, for answer to the petition, say that they deny all the allegations of said petition, imputing to them any want of good faith in the discharge of their duties as assignees of the Ohio Life Insurance and Trust Company, or any misconduct, mismanagement, or illegality in reference to the adminis-

tration of the trusts created by the said assignment, and hereby reserve the right more specifically and fully hereafter to controvert the allegations of the said petition in respect thereto. But these defendants say that for other reasons than those contained in said petition, they are willing to admit that the trusts created by said assignment should be administered under the direction of this court, and if it appear to the court that the same can be better administered by other trustees or a receiver, they are entirely willing and hereby consent that it shall be done, and themselves discharged from all further obligations under the same. The said defendants also admit that they were trustees of the said the Ohio Life Insurance and Trust Company, but deny that they are in anywise responsible for the failure of said company, or that the same occurred in consequence of any want of proper diligence or care on their part. They also deny all fraud and misconduct charged against them in the management of the affairs of said company before or after its failure, and in making the said assignment, but claim that all things in that behalf done or permitted by them was in the honest discharge of their duty, and, in their judgment, for the best interests of all the creditors
613 of the company.

WORTHINGTON & MATTHEWS,
Atty's for Defendants.
S. J. BROADWELL.
SAM'L FOSDICK.
CHAS. STETSON.
A. M. TAYLOR.
GEO. CRAWFORD.

STATE OF OHIO, *Hamilton County*, ss:

The subscribers, being duly sworn and affirmed, say that the matters and things set forth in the foregoing answer on their behalf are true, to the best of their belief.

S. J. BROADWELL.
SAM'L FOSDICK.
CHA'S. STETSON.
A. M. TAYLOR.
GEO. CRAWFORD.

Subscribed in my presence, and sworn to before me this 22nd day of October, A. D. 1858.

[SEAL.] CHARLES W. DIETRICH, *Notary Public.*

Answer of J. C. Wright.

Superior court of Cincinnati.

JOHN C. WRIGHT, sued with others. *ads.* SPINNING & BROWN. } 9776.

The separate answer of J. C. Wright, one of the defendants. 1. Defendant admits the charter of the Ohio Life Insurance and Trust Company; that it had an office in Cincinnati, and an agency in New York; that he was and is one of the trustees, and also one of the assignees; and that in the month or August, 1857, the board of trustees were taken entirely by surprise, with intelligence from New York that the agency in that city had become embarrassed and unable to meet its engagements, and that a large amount of its assets had been seized, and were held by the sheriff under the writs of attachment against the company, but the cause of this failure was then unknown to the trustees; and defendant denies that this failure was the result

of any mismanagement on the part of any of the trustees, as he believes, or of himself. 2. Defendant admits that after the New York agency failed to meet its engagements, a large amount of the liabilities of the trust company were paid at the office in Cincinnati by checks on it, and the allowance of these and other offsets recognized as valid by the laws of Ohio, and that other claims against the company were paid by the transfer of obligations due the company; but he denies that any of these payments or trans-
614 fers were made so far as he knows or believes in fraud of the creditors or stockholders of the company, or with any view to favoritism, or to prefer one creditor to another. On the contrary, they were made in the full belief that the assets of the company were sufficient to pay all debts in full. Defendant also denies that said settlements were made without information from the committee in New York. On the contrary, he insists they were made while the trustees were in the regular receipt of advices from said committee, and with their approval, and they were continued for several days after the return of one or both members of said committee, and with like approval. Defendant admits that he paid off his own debt to the company by checks and other means procured with difficulty for that purpose; but he obtained no discounts on the funds he procured, except in one instance; he was allowed an abatement of one year's interest upon his securing the new debt by a mortgage on the same property before mortgaged to the company; but he was compelled to submit to heavy losses on sales of securities to raise the means to pay off said debt, which payment he then supposed and still supposes was for the benefit of said company. Defendant does not know how or when the other trustees discharged their liabilities. 3. Defendant admits that the banking-house and some other real estate in Hamilton County were sold to the Merchants' Bank of Cleveland, on account of a large debt due to that institution, to which a large balance still remains unpaid. Said sales were fairly made at full prices, and by that arrangement a large amount of assets of the company which had been attached were restored to the company. 4. Defendant admits that no especial provision was made for the settlement of the open policies in the insurance department of the company, nor for deposites by order of any court, or by masters
616 or guardians. He admits that the balance in favor of Mr. Haseltine, their treasurer, was settled up in full and in good faith. 5. Defendant insists that in all the foregoing transactions, the board of trustees and the individual members all acted in good faith to the trust confided to them, and in the full belief that the means of the company were adequate to pay all its liabilities, and in that belief they acted to prevent insolvency, and to save the assets from ruinous sacrifices, and waste on attachments, executions, and other legal proceedings, and by reason of said settlements they obtained the discontinuance of money suits and the restoration of a large amount of assets from the custody of the sheriff for the benefit of the creditors. And defendant asserts that when the board of trustees became convinced of the insolvency of the company, they executed the assignment for the benefit of all the creditors. In selecting members of the board of trustees for assignees, no one so far as the defendant knows or believes had any design to prevent investigation into the affairs of the company, or to screen themselves from any responsibility. On the contrary, their sole aim was to put the assets into the hands of men of integrity, familiar with the affairs of the company, responsible and competent to settle them up in the shortest time and at the least expense. They thought that acquaintance with the complicated affairs of the company was an important element in creating trustees to wind them up for the benefit of all concerned. All the persons named as trustees objected to serve as such, and were finally induced to

accept the assignment by the advice of counsel, with no other than the single desire to aid in making the assets available as far as possible to satisfy all the creditors, and he is satisfied that had the difficulties they have met with in the discharge of their duties been foreseen, not one of them would
617 have accepted the trust. 6. Defendant admits that some of the trustees are advanced in years; that some of them are engaged in extentensive business. He admits that some creditors claim that the trustees are individually liable for the debts of the company; that some complain of the mismanagement of the trust and of the report lately made, and also that the number of assignees is inconveniently large, but defendant insists that but a small portion of the creditors unite in these complaints, and those representing far less than a moiety of the debts. Defendant denies that he or his co-assignees to his knowledge have in any way mismanaged the trust conferred to them; that any loss to the same has been occasioned by any act of theirs, or by any neglect or unwillingness to encounter the responsibilities of the same or of any duty enjoined on them by it. He denies any effort on his own part or that of the other assignees to shift for themselves to the creditors any deficiency or loss in the assets under their care. 7. Defendant admits that the affairs of the trust are complicated and important, and require prompt and energetic action, whether administered by the present or any other trustees, and that it is important they should be administered under the supervision of a court with competent power to finally settle difficult questions which no trustees without such judicial power can do. 8. Defendant is entirely willing to have the trust in question executed under the supervision of this court by such instrumentalities as it may deem best adapted to the preservation of the assets, and their economical and speedy conversion for distribution among the creditors, and to that end the trust he holds is hereby placed at the disposal of this court.

618 JOHN C. WRIGHT, *In person.*

STATE OF OHIO, *Hamilton County, ss:*

Personally appeared the above-named John C. Wright, who, being sworn, says he believes the statements in the above answer are true.

J. C. WRIGHT.

[SEAL.] CHAS. W. DIETRICH, *Notary Public.*

And afterwards, to wit, on the nineteenth day of January, in the general term of January, anno Domini one thousand eight hundred and fifty-nine, the following entry was made in the journal of said court, to wit:

SPINNING & BROWN *vs.* THE OHIO LIFE INSURANCE AND TRUST COMPANY and C. Stetson *et al.*	383.	No case, special term, 9776.

This cause came on to be heard by consent of the parties, and it being made to appear to the court by the declaration of the said defendants Charles Stetson, John C. Wright, Samuel Fosdick, Samuel J. Broadwell, George Crawford, Abraham M. Taylor, and Clement Dietrich, heretofore made in open court, as well as by their answers on file, that they, as assignees of the said the Ohio Life Insurance and Trust Company, created by the deed of that company, dated 26th day of September, 1857, have submitted to the judgment of this court the further administration of the trust confided to them as aforesaid, to be managed as this court might direct:

It is therefore ordered and adjudged that James P. Kilbreth and Charles Reemelin, disinterested persons, be, and they are hereby, appointed trustees of the assets and property, which were of the said trust company, in the

place of the above-named assignees, who have surrendered their trust as aforesaid, with all the rights and powers conferred upon said assignees by law, and by the said deed of assignment, as well in relation to the property, assets, and liabilities of said trust company in the State of Ohio as
619 elsewhere, but subject to the outstanding contracts and liabilities for rents, counsel fees, and other expenses made and incurred by said assignees in the execution of said trust prior to the surrender thereof as aforesaid. And the said trustees hereby appointed shall proceed in the administration of said trust, according to law, with the diligence requisite to make the assets available for the benefit of the creditors. But before entering upon the discharge of their duties the said trustees shall be sworn duly to perform the same according to law, and shall, moreover, enter into separate undertakings with sureties, to be approved by the court, in the penal sum of fifty thousand dollars, each payable to the State of Ohio for the benefit of all parties interested in said trust, and conditioned, each, for the faithful management of said trust, and the proper accounting for all the moneys which may come into their hands as trustees. And it is further ordered that said Stetson and his associate assignees have permission to withdraw from the documents and effects now in the hands of the late sheriff, Mathers, as receiver, any private property of theirs or either of them, and also their vouchers for acts done by them in the due execution of said trust while in their hands, giving receipts to said Mathers, specifically describing the property so to be withdrawn. And it is further ordered that said defendants, the Ohio Life Insurance and Trust Company and said Stetson and others, assignees as aforesaid, shall, within ten days after notice of the qualification of the trustees hereby appointed, execute and deliver to them, for the benefit of all the creditors and stockholders of the said the Ohio Life Insurance and Trust Company, a deed conveying to them, in trust as aforesaid, all the real and personal property, assets, and choses in action which were of the said trust company and were assigned to the said Stet-
620 son and others, as assignees, by said deed of assignment of the 26th of September, 1857, as the same remain not disposed of under said assignment. And it is further ordered that Richard Mathers, heretofore appointed receiver in this case, shall, on the demand of the trustees hereby appointed and notice of their having been duly qualified, hand over to them the cash books, choses in action, and other property which belonged to said trust company and now in his hands, deducting therefrom any amount theretofore paid by him under the order of this court, passing over, instead of cash, the vouchers he holds for every such payment. He is also allowed to deduct from said cash the sums of one thousand dollars now allowed him by the court for his services as receiver, and the further sum of two thousand three hundred and two dollars allowed him for his payment of taxes, expenses, and fees of counsel incurred in keeping and defending the said property while in his hands, he giving said trustees duplicate certificates therefor, one for the trustees and one to be filed in this court; and when said receiver shall have performed the things required of him by this order, and made due report thereof to the court, and it shall be made appear that the proceedings for contempt against him and others for acts done under the orders of this court are dismissed, the said Mathers shall stand discharged from further duties as receiver under his said appointment; and it being made further to appear that the circuit court of the United States for the 7th circuit and southern district of Ohio have ordered that those be paid by said Richard Mathers, receiver, to James P. Kilbreath, out of the said assets, the sum of three hundred and sixty-seven 65-100 dollars for all his costs, counsel
621 fees, and expenses incident to his said office as receiver, appointed by that court, it is further ordered that the trustees now appointed shall

pay, out of the assets which may come to their hands, the said sum of $367 65 *dollars*, taking therefor, from said Kilbreath, duplicate receipts, one copy for themselves, one to be filed in this court, and one for said assignees. It is ordered that said Richard Mathers, receiver, out of the assets in his hands, pay the costs of this cause; and it is further ordered that said trustees shall immediately take under their control the suits pending and judgments for and against the said trust company and said assignees, or either, in the State of Ohio and elsewhere, and manage the same for the benefit of the trust. And this court, being satisfied that the proceedings for contempt in the circuit court of the United States for the 7th circuit and southern district of Ohio, against Richard Mathers and several others, have been dismissed and the parties discharged therefrom, and being further satisfied that James P. Kilbreath and Nathaniel C. McLean, against whom proceedings for contempt are now filed in this court, did not in any act of theirs intend to bring this court into contempt or unlawfully to oppose the execution of its orders, do order that said proceedings be dismissed, and that said Kilbreath and McLean go thereof without day. As to all matters not provided for in this decree, it is ordered that the petition of the plaintiffs, and the several court petitions filed in this cause, be dismissed without prejudice; and this decree shall not be understood, taken, or construed as determining any question either for or against the said assignees, or to any alleged mismanagement of said trust fund
622 while in their hands, the design being to leave those questions without prejudice to either party by this decree.

And afterwards, to wit, on the twenty-fourth day of January, during the general term and year last aforesaid, the following entry was made on the journal of this court, to wit:

CHARLES E. SPINNING *et al.*
v.
THE OHIO LIFE INSURANCE AND TRUST COMPANY *et al.* } 383. No. case, special term, 9776.

And now comes James P. Kilbreath and tenders to the court his undertaking, as required by the former order of this court, with Gassaway Brashears, Harvey Decamp, John W. Gosling, George W. Townley, and John F. Forbes as sureties, and Charles Reemelin comes and tenders his undertaking with Charles F. Adae, Henry H. Duhone, Timothy C. Day, James B. Bell, Erasmus Gest, John C. Thorpe, and Frederic Rolker as sureties, each undertaking being in the penal sum of fifty thousand dollars, and conditioned as provided by said order, and the court approve the same and order them to be filed with the clerk. And the said Kilbreath and Reemelin are now sworn in open court to perform duly the trusts imposed upon them by the former order aforesaid.

623 The superior court of Cincinnati.

THE STATE OF OHIO,
Hamilton County, city of Cincinnati, ss:

I, Charles E. Cist, clerk of the superior court of Cincinnati, do hereby certify the above and foregoing to be true and correct copies of the petition, summons, return, answer of Stetson *et al.*, answer of Wright, order directing appointment of receivers, &c., and order approving undertakings, &c., as the same severally appear from the original papers and journal of said court now remaining in my office.

Witness my hand and the seal of the said court, at Cincinnati, this 20th
[SEAL.] day of October, A. D. 1862.

CHARLES E. CIST,
Clerk of the Superior Court of Cincinnati.

Deed, Charles Stetson et al. to Kilbreath and Remelin.

625 Know all men by these presents that, whereas the Ohio Life Insurance and Trust Company, by deed dated the twenty-sixth day of September, A. D. one thousand eight hundred and fifty-seven, conveyed to Charles Stetson, John C. Wright, Samuel Fosdick, Samuel J. Broadwell, George Crawford, Abraham M. Taylor, and Clement Dietrich all the real estate and personal property of whatever description, rights, credits, books, accounts, bills, drafts, checks, bonds, stocks, securities of every name and nature, judgments, mortgages, and other evidences of debt and choses in action of every sort and kind and wheresoever situate, belonging to the said the Ohio Life Insurance and Trust Company, or in which the said the Ohio Life Insurance and Trust Company have any interest, title, claim, or demand whatever, in trust, nevertheless, for the uses and purposes only therein stated and thereby created, as will fully appear from the said deed as duly recorded in deed book No. , page , of the records of Hamilton County, Ohio. And whereas in the case of Charles Spining and Charles Brown, partners under the name of Spining & Brown, plaintiffs against the said the Ohio Life Insurance and Trust Company, Charles Stetson, John C. Wright, Samuel Fosdick, Samuel J. Broadwell, George Crawford, Abraham M. Taylor, Clement Dietrich, and others, defendants, pending in the superior court of Cincinnati and State of Ohio at the January term, A. D. one thousand eight hundred and fifty-nine, of said court, it was found and or-

626 dered, among other things, by the said court, that said cause came on to be heard by consent of the parties, and it being made to appear to the court by the declaration of the said defendants, Charles Stetson, John C. Wright, Samuel Fosdick, Samuel J. Broadwell, George Crawford, and Abraham M. Taylor, and Clement Dietrich, before made in open court, as well as by their answers on file, that they, as assignees of the said the Ohio Life Insurance and Trust Company, created by the deed of that company dated 26th day of September, 1857, had submitted to the judgment of the said court the further administration of the trusts confided to them as aforesaid, to be managed as the said court might direct, it was therefore ordered and adjudged by the said court that James P. Kilbreth and Charles Remelin be, and they were thereby, appointed trustees of the assets and property which were of the said trust company, in the place of the above-named assignees, who had surrendered their trusts as aforesaid, with all the rights and powers conferred upon said assignees by law and by the said deed of assignment, as well in relation to the property, assets, and liabilities of said trust company in the State of Ohio as elsewhere, but subject to the outstanding contracts and liabilities, and for rents, counsel fees, and other expenses made and incurred by said assignees in the execution of said trust prior to the surrender thereof as aforesaid. And the said trustees thereby appointed shall proceed in the administration of said trusts with the diligence

627 requisite to make the assets available for the benefit of the creditors. But before entering upon the discharge of their duties the said trustees shall be sworn duly to perform the same according to law, and shall, moreover, enter into separate undertakings, with sureties to be approved by the court, in the penal sum of fifty thousand dollars each, payable to the State of Ohio for the benefit of all parties interested in said trust, and conditioned each for the faithful management of said trust and the proper accounting for all moneys that may come into their hands as trustees. And it was further ordered that the said defendants, the said The Ohio Life Insurance and Trust Company and the said Charles Stetson and others, assignees as aforesaid, shall, within ten days after notice of the qualifications of the trustees hereby appointed, execute and deliver to them, for the benefit of all

the creditors and stockholders of the said the Ohio Life Insurance and Trust Company, a deed consigning to them in trust as aforesaid all the real and personal property, assets, and choses in action which were of the said trust company and were assigned to the said Stetson and others, as assignees, by said deed of assignment of the 26th of September, 1857, as the same remains not disposed of under said assignment. And whereas the said Charles Stetson, John C. Wright, Samuel Fosdick, Samuel J. Broadwell, George Crawford, Abraham M. Taylor, and Clement Dietrich have within ten days been duly notified of the qualifications of the said trustees, as required by said order and their acceptance of the office conferred upon them by the order of said court:

628 Now be it known that the said Charles Stetson, John C. Wright, Samuel Fosdick, Samuel J. Broadwell, George Crawford, Abraham M. Taylor, and Clement Dietrich, for and in consideration of the premises and in pursuance of the said order of the said court, do hereby transfer, set over, and assign to the said James P. Kilbreath and Charles Remelin all the real and personal property, assets, and choses in action which were of the said trust company and were assigned to the said Charles Stetson and others as assignees by said deed of assignment of the 26th of September, 1857, as the same remains not disposed of under said assignment but subject to the outstanding contracts and liabilities, and for rents, counsel fees, and other expenses made and incurred by the said John Stetson, John C. Wright, Samuel Fosdick, Samuel J. Broadwell, George Crawford, Abraham M. Taylor, and Clement Dietrich, in the execution of said trust under the said deed of assignment. To have and to hold the same to the said James P. Kilbreath and Charles Remelin and their heirs; in trust, nevertheless, for the uses and purposes specified and directed in the aforesaid order of court.

In witness whereof, the said Charles Stetson, John C. Wright, Samuel Fosdick, Samuel J. Broadwell, George Crawford, Abraham M. Taylor, and Clement Dietrich have hereunto set their hands and seals, this the 1st day of

629 February, A. D. one thousand eight hundred and fifty-nine.

CHARLES STETSON. [SEAL.]
J. C. WRIGHT. [SEAL.]
SAM'L FOSDICK. [SEAL.]
S. J. BROADWELL. [SEAL.]
GEO. CRAWFORD. [SEAL.]
A. M. TAYLOR. [SEAL.]
CLEMENT DIETRICH. [SEAL.]

Signed, sealed, acknowledged, &c., in presence of—
S. P. BISHOP.
CHARLES W. DIETRICH.

THE STATE OF OHIO, *Hamilton County, ss:*

Be it remembered, that on this the first day of February, A. D. one thousand eight hundred and fifty-nine, before me, the subscriber, a notary public within and for the county of Hamilton aforesaid, personally came Charles Stetson, John C. Wright, Samuel Fosdick, Samuel J. Broadwell, George Crawford, Abraham M. Taylor, and Clement Dietrich, the grantors in the above deed named, and acknowledged the signing and sealing thereof to be their voluntary act and deed for the uses and purposes therein mentioned.

In testimony whereof, I have hereunto subscribed my name and affixed my official seal, at Cincinnati, Ohio, on the day and year last above written.

[SEAL.] CHARLES W. DIETRICH, *Notary Public.*

I certify that the words "wards and their heirs" were inserted as above before acknowledgment.

CHARLES W. DIETRICH, *Notary Public.*

630 THE STATE OF OHIO, *Hamilton County, ss:*

I, F. H. Oehlman, recorder of the county aforesaid, hereby certify that foregoing is a correct copy of a deed as recorded in my office Mar. 14, '59, in book No. 250, page 203, records of Ham. Co., Ohio.

Witness my hand and seal of office, this 13th day of October, A. D. 1862.

F. H. OEHLMAN,
Recorder, Ham. Co., Ohio.

631 Supreme court of Ohio in bank, December term, A. D. 1835, to wit, December 12th, 1835.

In conformity with the twentieth section of the act to incorporate the Ohio Life Insurance and Trust Company, passed on the 12th day of February, A. D. 1834, it is ordered that on the 24th day of December instant, and on the first day of each term hereafter of this court, sitting in bank, the board of trustees shall exhibit to the court a statement of the affairs of said company as they exist on the last day of October next before such annual statement by which they shall shew—

I. The amount of capital stock in the trust department loaned upon bonds and mortgages, not including interest, specifying: 1st, the amount and number of loans in each county; 2d, the amount on which interest is due and unpaid; 3d, the amount on which judgment or decrees are had; 4th, the amount on which suits are commenced or directed; 5th, the aggregate number of loans in each county in classes of $300 and less, $500 and less, $1, 000 and less, $5, 000 and less, $10, 000 and less, and all above $10, 000.

II. The amount without interest of loans from funds other than capital in said trust department upon bonds and mortgages (except loans to money corporations) specifying the several matters contained in the above requisition.

III. The amount without interest of loans in said department se-
632 cured by pledges of stock (except loans to money corporations) specifying: 1st, The kinds of stock; 2nd, number of shares; 3d, the par and market value of each; 4th, the amount loaned on each; 5th, the amount due on demand or on times of less than six months or longer. 6th, the amount for which interest is due and unpaid; 7th, the amount in suit or ordered for prosecution or in judgment; 8th, the amount where the sum due exceeds the market value of the pledge and the amount of such excess.

IV. The amount of loans in said department made upon personal security, only specifying: 1st, the times of credit on demand, or within six months, or for six months or longer; 2d, the amount for which interest is due and unpaid; 3d, the amount in suit or ordered for prosecution.

V. The amount of interest paid or due on any of the aforesaid loans, distinguishing such as has been due for six months or for a less period. The amount of deposits in the trust department, the terms of such deposits, and the number of depositors.

VI. A statement of the banking department of said company, showing:

1st. The amount of deposits on capital stock, and the length of time and rates of interest paid thereon.

2nd. The amount of other deposits specifying how much is sub-
633 ject to withdrawal on demand, or on notice of six months or less, or longer time of notice.

3d. The amount of loans made in said banking department, designating 1st, the amount loaned on securities other than bill and notes, and the nature of such and the time of credit; 2nd, the amount loaned on bills of exchange and notes shewing how much is loaned on a credit not longer than 100 days, how much for a period not longer than six months, and how much for a longer period; and further specifying how much is payable at their office in Cincinnati, how much elsewhere, but within the State of Ohio, and how much is payable at places not in the said State, especially the amount payable at either of the cities of Boston, New York, Philadelphia, Baltimore, or New Orleans.

4th. The amount of cash on hand, designating: 1st, American gold; 2d, foreign gold; 3d, silver; and 4th, notes of other banks, shewing: 1st, the amount of city of Cincinnati notes; 2d, the amount of notes of other Ohio banks; 3d, the amount of notes of banks in the other western States; and 4th, the amount of notes of banks in the eastern States.

5th. The amount of its notes in circulation at the time of its statement, and the amount of the several denominations of said notes.

6th. The greatest amount of its notes which have been at once in circulation at any time within the year next before such annual statement.

634 7th. The amount due from other banks, how much of such amount bears interest, and the rate of interest.

8th. The several aggregate amounts received during the year next previous to such annnal statement found, 1st, discount; 2nd, premium of exchange; 3d, damages; 4th, interest upon deposits made by the company; 5th, commission for collections.

9th. The amount of suspended debt remaining due thirty days or longer, with the interest due thereon.

10th. The amount of loans and judgments and the amount on which suits are directed or pending.

VII. The amount of all loans to money corporations, specifying: 1st, the amount to each; 2nd, the time when made and length of credit; 3d, the rate of interest; 4th, the nature and value of the security; 5th, the amount of interest due thereon.

VIII. The amount of all loans to other corporations, specifying the several matters contained in the last requisition.

IX. The amount of stock owned by the company, specifying each kind and description; the number and nominal value of the shares of each, and the market value thereof, and the prices at which said stocks were purchased or received in payment.

X. A statement of the real estate owned by the company for the

635 transaction of its business, the amount which has been expended for buildings and improvements thereon other than for ordinary repairs charged in the expense account or paid out of the parts, the present value of such real estate, and the particular portion of the same which are occupied by the company as necessary for the transaction of its business; likewise a statement of the real estate taken by the company in payment of debts within the year, shewing the price, the amount of debt, interest, and costs for which the same was taken, the amount now held, the amount sold within the year, and the difference between the debts, interest, and costs for which the same was taken, and the sum for which the same was sold.

XI. The situation of the cash on hand, whether it remains in the bank of said company or deposited in some other bank, specifying the bank and the amount deposited, or if any remain in the hands of the officers or agents of the company, specifying their names and the amount held by each.

XII. The amount and real value of all other property or effects of the company, specifying the nature and value of such property and effects particularly.

XIII. The amount of all securities taken for monies received by the company in trust, to be invested at the risk and for the benefit of the persons from whom such monies were received, or of other persons designated by the trust.

636 XIV. The amount due from individuals on account other than loans to or for the use of monied corporations as aforesaid, specifying the names of the several persons from whom the same is due, the amount due from each, the nature of their indebtedness, the time when the several debts were contracted and when they became payable, whether collectable or not, and whether in suit or prosecuted.

XV. The aggregate collections made for others by said company during said year, designating the States in which such collections were made, and the rates charged for such collections, and the amount of such paper in hand for collection at the time of such statement.

XVI. The aggregate amount of exchange bought and sold during the year, and a specification of the same in the following manner, with the rate of exchange on each :

1st. The amount drawn on and received from the New England States.

2d. The amount drawn on and received from New York.

3d. The amount drawn on and received from New Jersey and Pennsylvania.

4th. The amount drawn on and received from Delaware and Maryland.

5th. The amount drawn on and received from the southern Atlantic States.

6th. The amount drawn on and received from the southwestern States.

7th. The amount drawn on and received from the States west of the State of Ohio.

8th. The amount of domestic exchange within the State of Ohio.

XVII. A list of the names of persons having deposits or balances of account lying in the hands of said company for a year or longer without change and without any special contract for the continuance thereof,

637 and the amount to the credit of each.

XVIII. A full balance sheet of the affairs of said banking department; likewise a full balance sheet of the affairs of said company; and which statement shall also exhibit and set forth the number of stockholders, the amount of the capital stock of the company, and the amount and particular nature and description of all debts, demands, and claims against the company, and of all responsibilities incurred by the company, as follows :

1st. The amount of the capital stock of the company and the number of stockholders owning the same, designating the number of stockholders residing out of the State, and the amount of stock held by them collectively, the number of stockholders residing in the State other than the trustees of the company, and the amount of stock so held by them, and the number of trustees of the company residing in the State and the amount of stock held by each, but without disclosing the names of such trustees in connection with the amount of stock held by them respectively. The amount of loans to said trustees, and the amount of loans to stockholders other than trustees.

2nd. The amount of monies deposited on trust by order of the court of chancery or probate, to be invested or kept at the risk of the company, including monies deposited on trust of accumulation, and the accumulation thereon, which have become a part of the principal.

638 3d. The amount of deposits by other persons, and companies other than monie corporations, on trust, to be invested or kept as aforesaid, or on trust of accumulation, and including the accumulations thereon which have become a part of the principal.

4th. The amount of deposites by banks and other monied corporations on

trust to be invested or kept as aforesaid, or on trust of accumulation, including the accumulations thereon which have become a part of the principal, specifying the amount deposited by each company.

5th. The amount of interest which has become due and payable on each of the deposites in trust as aforesaid, other than accumulations estimated as part of the principal, computed up to the day of such statement.

6th. The amount received by the company or for which it is liable as guardian of the estates of infants, including accumulations thereon, and interest computed as before directed, and deducting expenses and commissions.

7th. The amount received by the company or for which it is liable as receiver, including accumulations and interest as aforesaid, and deducting expenses and commissions.

8th. The amount due for life insurances which have not been paid after the event has happened.

9th. The amount received for premiums on life insurances when the persons whose lives are insured are still living, specifying also the number of such lives remaining insured, the average length of time such lives will continue according to the tables used by the company, the amount of
639 premiums payable annually to the company on such insurances, and the amount which will become due from the company upon the death of such persons.

10th. The amount due for arrears of annuities which have become due and payable.

11th. The amount received upon the sale of annuities when the immunities still continue, specifying also the number of such annuities, the average time of the continuance thereof, according to the annuity tables, and the total amount payable therefor annually.

12th. The amount of all dividends unpaid to the stockholders entitled to the same.

13th. The amount received on the trust to be invested at the risk and for the benefit of the persons from whom the monies were received, or other persons designated in the trust, including the interest or income received thereon by the company and remaining in its hands, deducting the expenses and commissions on such investments and trusts, as agreed on by the parties, or as fixed by the by-laws or regulations of the company at the time of the creation of the trust, where no special agreement as to such expense and commissions was made by the parties.

14th. The amount of all other debts or demands against the company, specifying particularly the nature of such debts, especially designating between such as are absolutely due and such as become payable on some contingent event, and such as are claimed but not admitted by the trustees to be due.

15th. The amount of all bad debts included in the account of debts due to the company for loans or otherwise, with the interest thereon, in-
640 cluding all debts known to be bad or believed to be uncollectable; also all debts not in suit on which no interest has been paid for more than one year after it became due, and debts on which judgments have been obtained and have remained unsatisfied for more than two years, and which statements shall also exhibit and set forth the amounts of dividends declared and taxes paid during the preceeding year, the names and residences of all the trustees and other officers of the company, the salaries or assumed compensation paid to each of the officers of the company who receive a salary or annual compensation, the number and names of its ordinary agents, and the manner and customary expense of obtaining and discharging a loan, and all the by-laws and regulations adopted by the trustees,

and remaining in force. It shall also contain such other facts and details as the trustees may think proper to insert therein, and which they may deem necessary to enable the court to form a correct opinion of the manner in which the affairs of the said company have been conducted and managed for the preceding year, and that the same be verified by the oaths of the president, secretary, and cashier of the company.

Supreme court of Ohio, in bank, December term, A. D. 1835, to wit, December 28, A. D. 1835.

641 In the matter of the Ohio Life Insurance and Trust Company.

The company in obedience to the order of this court, heretofore at this term entered, having this day filed their statement, and the same having been inspected by the court, Henry Stanberry is hereby appointed a special master commissioner of this court in this behalf, and the examination of said statement and of the condition of said company is hereby referred to him. It is therefore ordered the said master commissioner repair to the office of said company and examine the original books, papers, and documents of said company in their possession, or in the hands of any of its officers, agents, servants, or other persons for them so far as he shall judge necessary to carry into execution the object of his appointment; and if in the course of his examination he shall discover any cause of suspicion of mismand agent, or if he mshalleem it renecessy or aexpedient for the purpose of a thorough investigation of the affairs of said company, he is hereby authorized to examine, on oath by him to be administered, all or any officer, or agent, or servant of said company, or any other person, touching the affairs or condition of said company. That he make a full and fair investigation of the affairs of said company, and of their management thereof during the year next preceding such statement, and that he report to this court whether the statement this day made by said company contains a full and true account of the several matters required by the order of
642 this court with which it assumes to comply. That he state his opinion in relation to the ability and integrity with which the affairs of said company have been conducted, and in relation to the prudence, safety, and productiveness of its investments, the safety of those holding its engagements, the advantages and disadvantages which result from its dealings to the public, and to the various classes of individuals and corporations, and its effects upon the business operations of the community. It is ordered that said company shall provide for said master commissioner a convenient apartment and such clerks as he deems necessary, and every other aid in their power calculated to facilitate his enquiry, that they shall submit all their books, papers, and documents to his examination, and furnish copies of such parts thereof as he shall require. If the said company shall refuse to submit its papers and documents to the examination of said master commisssioner, or if its officers or any other person shall refuse to submit to his examination, it is ordered that said master commissioner shall forthwith report the facts touching such refusal to the supreme court wherever the same shall be in session, so that measures may be taken to secure the due observance of this order. It is further ordered that said master commissioner shall make his full report touching the matters aforesaid, and deposit it with the clerk of this court to be by him filed; that he transmit one copy thereof to each of the judges of this court; and leave is given to
643 said company to publish said report with their statement and the order of this court.

Supreme court in bank, December term, A. D. 1836, to wit, December 13, A. D. 1836.

In the matter of the Ohio Life Insurance and Trust Company.

The company, in obedience to the order of this court heretofore made, having on the first day of this term filed their annual statement, and the same having been inspected by the court, Phineas B. Wilcox, esquire, is hereby appointed a special master commissioner of this court in this behalf, and the examination of said statement and of the condition of said company is hereby referred to him. It is therefore ordered that said master commissioner repair to the office of said company, and examine the original books, papers, and documents of said company in their possession, or in the hands of any of its officers, agents, servants, or other persons for them, so far as he shall judge necessary to carry into execution the object of his appointment. And if in the course of his examination he shall discover any cause of suspicion of mismanagement, or if he shall deem it necessary or expedient for the purpose of a thorough investigation of the affairs of said company, he is hereby authorized to examine on oath, by him to be administered, all or any officer, or agent, or servant of said com-
644 pany, or any other person, touching the affairs or condition of said company; that he make a full and fair investigation of the affairs of said company, and of their management thereof during the year next preceding such statement, and that he report to this court whether the said statement at this term made by said company contain a full and true account of the several matters required by the order of this court with which it assumes to comply; that he state his opinion in relation to the ability and integrity with which the affairs of said company have been conducted, and in relation to the prudence, safety, and productiveness of its investments, the safety of those holding its engagements, the advantages and disadvantages which result from its dealings to the public, and the various classes of individuals and corporations, and its effects upon the business operations of the community. It is ordered that said company shall provide for said master commissioner a convenient apartment, and such clerks as he deem necessary, and every other aid in their power calculated to facilitate his enquiry; that they shall submit all their books, papers, and documents to his examination, and furnish copies of such parts thereof as he shall require. If the said company shall refuse to submit its papers and documents to the examination of said master commissioner, or
645 its officers or any other person shall refuse to submit to his examination, it is ordered that said master commissioner shall forthwith report the facts touching such refusal to the supreme court wherever the same shall be in session, so that measures may be taken to secure the due observance of this order.

It is further ordered that said master commissioner shall make his full report touching the matters aforesaid and deposit it with the clerk of this court, to be by him filed; that he transmit one copy thereof to each of the judges of this court; and leave is given said company to publish said report with their statement and the order of this court.

Supreme court of Ohio in bank, December term, A. D. 1837, to wit, December 5, A. D. 1837.

The Ohio Life Insurance and Trust Company this day filed their annual statement.

Supreme court of Ohio in bank, December term, A. D. 1837, to wit, December 20, A. D. 1837.

In the matter of the Ohio Life Insurance and Trust Company.

The company, in obedience to the order of this court heretofore made, having on the first day of this term filed their annual statement, and the same having been inspected by the court, Charles B. Goddard, esquire, is hereby appointed special master commissioner of this court in this
646 behalf, and the examination of said statement and of the condition of said company is hereby referred to him. It is therefore ordered that said master commissioner repair to the office of said company and examine the original books, papers, and documents of said company in their possession or in the hands of any of its officers, agents, servants, or other persons for them, so far as he shall judge necessary to carry into execution the object of his appointment. And if in the course of his examination he shall discover any cause of suspicion of mismanagement, or if he shall deem it necessary or expedient for the purpose of a thorough investigation of the affairs of said company, he is hereby authorized to examine on oath, by him to be administered, all or any officers, or agents, or servants of said company, or any other person, touching the affairs or condition of said company; that he make a full and fair investigation of the affairs of the said company and of their management thereof during the year next preceding such statement. The said master is likewise to enquire whether the said company have issued any notes, checks, or other evidences of debt designed to be used for circulation as money, other than notes payable on demand, and if so, that he report the facts, together with his opinion touching their lawfulness, expediency, and effects on business, and that he report to this court whether the statement at this term made by said company contains a full and true account of the several matters required by the order of this court with which it
647 assumes to comply; that he state his opinion in relation to the ability and integrity with which the affairs of said company have been conducted, and in relation to the prudence, safety, and productiveness of its investments, the safety of those holding its engagements, the advantages and disadvantages which result from its dealings to the public and to the various classes of individuals and corporations, and its effects upon the business operations of the community. It is ordered that said company shall provide for said master commissioner a convenient apartment and such clerks as he deem necessary, and every aid in their power calculated to facilitate his enquiry; that they shall submit all their books, papers, and documents to his examination, and furnish copies of such parts thereof as he shall require. If the said company shall refuse to submit its papers and documents to the examination of said master commissioner, or its officers or any other person shall refuse to submit to his examination, it is ordered that said master commissioner shall forthwith report the facts touching such refusal to the supreme court wherever the same shall be in session, so that measures may be taken to secure the due observance of this order. It is further ordered that said master commissioner shall make his full report touching the matters aforesaid, and deposit it with the clerk of this court, to be by
648 him filed; that he transmit one copy thereof to each of the judges of this court at the cost of said company; and leave is given said company to publish said report with their statement and the order of this court.

Supreme court of Ohio in bank, November term, A. D. 1838, to wit, December 6, 1838.

In the matter of the Ohio Life Insurance and Trust Company.

The special master commissioner, to whom the inspection of the affairs of this institution were referred, having made his report, leave is given to

said company to file exceptions thereunto before Thursday morning, the 13th Dec'r inst. Ordered that the clerk of this court transmit a copy of this order to the president of the said institution by mail.

Supreme court of Ohio in bank, November term, A. D. 1838, to wit, December 12, 1838.

In the matter of the Ohio Life Insurance and Trust Company.

This day came the Ohio Life Insurance and Trust Company, by Mr. Worthington, their counsel, and filed their exceptions to the report of the special master commissioner herein appointed at the last term of this court, and thereupon the matter is continued. The Ohio Life Ins. and Trust
649 Company, in obedience to the order of this court heretofore made, having at this term filed their annual statement and the same having been inspected by the court, John W. Willey, esq., is hereby appointed special master commissioner of this court in this behalf, and the examination of said statement and of the condition of said company is hereby referred to him. It is therfore ordered that said master commissioner repair to the office of said company and examine the original books, papers, and documents of said company in their possession or in the hands of any of its officers, agents, servants, or other persons for them, so far as he shall judge necessary to carry into execution the objects of his appointment. And if in the course of his examination he shall discover any cause of suspicion of mismanagement, or if he shall deem it necessary or expedient for the purpose of a thorough investigation of the affairs of said company, he is hereby authorized to examine on oath, to be by him administered, all or any officer, agent, or servant of said company, or any other person, touching the affairs or condition of said company; that he make a full and fair investigation of the affairs of said company and of their management thereof during the year next preceding such statement; and that he report to this court whether the statement at this term made by said company contains a full and true account of the several matters required by the order of this court with which it assumes to comply; that he state his opinion in rela-
650 tion to the ability and integrity with which the affairs of said company have been conducted and in relation to the prudence, safety, and productiveness of its investments, the safety of those holding its engagements, the advantages and disadvantages which result from its dealings to the public and to the various classes of individuals and corporations, and its effects upon the business operations of the community. It is ordered that said company shall provide for said master commissioner a convenient apartment, and such clerks as he deems necessary, and every aid in their power calculated to facilitate his enquiry; that they shall submit all their books, papers, and documents to his examination, and furnish copies of such parts as he shall require. If said company shall refuse to submit its papers and documents to the examination of said master commissioner, or its officers or any other person shall refuse to submit to his examination, it is ordered that said master commissioner shall forthwith report the facts touching such refusal to the supreme court wherever the same shall be in session, so that measures may be taken to secure the due observance of this order.

It is further ordered that said master commissioner shall make his full report touching the matters aforesaid and deposit it with the clerk of this court on or before the first day of July next, to be by said clerk filed; that he transmit one copy thereof to each of the judges of this court and one
651 copy thereof to said company at the cost of said company; and leave is given said company to publish said report with their statement and the orders of this court.

Supreme court of Ohio in bank, December term, A. D. 1839, to wit, December 23, A. D. 1839.

In the matter of the Ohio Life Insurance and Trust Company.

This matter is heard upon exceptions to the report of Mr. Goddard, and on the argument of counsel; upon consideration whereof, it is found that the authority to buy and sell drafts and bills of exchange contained in the 7th item of the 2nd section of the act incorporating said company confers no power to issue evidences of debt designed to be used in circulation as money, and that the power of said company to issue bills and notes designed to be used in circulation as money, depends upon the 23d § only, under which and under the 10th § of the law regulating judicial proceedings, where banks and bankers are parties, in the opinion of the court, the issue of bill and notes designed for circulation as money and payable otherwise than on demand is unwarrantable and in expedient.

This court therefore executing the authority conferred by the 21st section of said act of incorporation do recommend to said company to suppress all notes and bills designed to circulate as money, and not payable on demand and to issue such notes and bills no more.

It is further ordered that the clerk of this court forthwith trans-
652 mit by mail to said company this act of the court, and that said company make return of their doings in this behalf to the next term of the supreme court of Hamilton County.

The company having heretofore, at this term, returned their annual statement, and the same having been inspected by the court, John W. Andrews is hereby appointed a special master commissioner of this court in this behalf, and the examination of said statement and of the conditions of said company is hereby referred to him.

It is therefore ordered that the said master commissioner repair to the office of said company, and examine the original books, papers, and documents of said company in their possession or in the hands of any of its officers, agents, servants, or other person for them, so far as he shall judge necessary to carry into execution the object of his appointment. And if in the course of his examination he shall discover any cause of suspicion or mismanagement, or if he shall deem it necessary or expedient for the purpose of a thorough investigation of the affairs of said company he is hereby authorized to examine on oath, by him to be administered, all or any officers or agent or servant of said company, or any other person, touching the affairs of said company; that he make a full and fair investigation of the affairs of said company, and of their management thereof during the year next preceding such statement, and that he report to this court whether the said statement, this day made by said company, contains a full and true account of the several matters required by the order of this court with
653 which it assumes to comply.

And it is further ordered that he specially examine the condition of the banking department, whether its management is safe, and whether the standing rules relating to it have been faithfully observed, whether the debts due to it are dormant or active, whether any issues of evidences of debt have been made in forms not permitted by law, whether any such issues are payable in other thing except cash and on demand; that he especially notice in his report or any transaction or usage or act of this company which in his opinion is either unauthorized or prejudicial to the public interest; that he state his opinion in relation to the ability and integrity with which the affairs of said company have been conducted, and in relation to the prudence, safety, and productiveness of its investments, the safety of those holding its engagements, the advantages and disadvantages

which result from its dealings to the public and to the various classes of individuals and corporations, and its effects upon the business operations of the community.

It is ordered that said company shall provide for said master commissioner a convenient apartment and such clerks as he deem neeessary, and every other aid in their power calculated to facilitate his inquiry; that they shall submit all their books, papers, and documents to his examination, and furnish copies of such parts thereof as he shall require. If the said company shall refuse to submit its papers and documents to the examination of said master commissioner, or if its officers or
654 any other person shall refuse to submit to his examination, it is ordered that said master commissioner shall forthwith report the facts touching such refusal to the supreme court whenever the same shall be in session, so that measures may be taken to secure the due observance of this order.

It is further ordered that said master commissioner shall make his full report touching the matters aforesaid, and deposit it with the clerk of this court on or before the first day of July next, to be by said clerk filed, and that the said master transmit one copy thereof to each of the judges of said court, and one copy thereof to the company at the costs of said company; and leave is given to said company to publish said report with their statement and the orders of this court.

Supreme court of Ohio in bank, December term, A. D. 1840, to wit, December 31, 1840.

In the matter of the Ohio Life Insurance and Trust Company.

The company having heretofore at this term returned their annual statement, and the same having been inspected by the court, Benjamin Bissel is hereby appointed a special master commissioner of this court in this behalf, and the examination of said statement and of the condition of said company is hereby referred to him.

It is therefore ordered that the said master commissioner re-
655 pair to the office of said company, and examine the original books, papers, and documents of said company in their possession, or in the hands of any of its officers, agents, servants, or other persons for them, so far as he shall judge necessary to carry into execution the object of his appointment. And if in the course of his examination he shall discover any cause of suspicion or mismanagement, or if he shall deem it necessary or expedient for the purpose of a thorough investigation of the affairs of said company, he is hereby authorized to examine on oath, to be by him administered, all or any officers, or agents, or servants of said company, or any other person, touching the affairs of said company; that he shall make a full and fair investigation of the affairs of said company, and of their management thereof during the year next preceding said statement, and that he report to this court whether the said statement, this day made by said company, contains a full and true account of the several matters required by the order of this court with which it assumes to comply.

And it is further ordered that he specially examine the condition of the banking department, whether its management is safe, and whether the standing rules relating to it have been observed faithfully, whether the debts due to it are dormant or active, whether any issues of evidences of debt have been made in forms not permitted by law, whether any such issues are payable in any other thing except cash and on demand; that he specially notice in his report every transaction or usage or act of this company
656 which in his opinion is either unauthorized or prejudicial to the public

interest; that he state his opinion in relation to the ability and integrity with which the affairs of said company have been conducted, and in relation to the prudence, safety, and productiveness of its investments, the safety of those holding its engagements, the advantages and disadvantages which result from its dealings to the public and to the various classes of individuals and corporations, and its effects upon the business operations of the community.

It is ordered that said company shall provide for said master commissioner a convenient apartment, and such clerks as he deem necessary, and every other aid in their power calculated to facilitate his inquiry; that they shall submit all their books, papers, and documents to his examination and furnish copies of such parts thereof as he shall require. If the said company shall refuse to submit its papers and documents to the examination of said master commissioner, or if its officers or any other person shall refuse to submit to his examination, it is ordered that said master commissioner shall forthwith report the facts touching such refusal to the supreme court wherever the same shall be in session, so that measures may be taken to secure the due observance of this order.

It is further ordered that said master shall make his full report touching the matters aforesaid, and deposit it with the clerk of this court on or before the first day of July next, to be by said clerk filed; and that the said
657 master transmit one copy thereof to each of the judges of this court, and one copy thereof to the company at the costs of the said company; and leave is given to said company to publish said report with their statement and the order of this court.

Supreme court of Ohio in bank, December term, A. D. 1841, to wit, December 27, A. D. 1841.

In the matter of the Ohio Life Insurance and Trust Company.

In this matter the master commissioner returned his report, the same is inspected by the court, together with the explication made herein by the said life insurance and trust company, and on consideration nothing is therein found to require the interposition of this court. And the company having heretofore at this term returned their annual statement, and the same having been inspected by the court, Samuel T. Worcester is hereby appointed a special master commissioner of this court in this behalf, and the examination of said statement and of the conditions of said company is hereby referred to him.

It is therefore ordered that the said master commissioner repair to the office of said company and examine the orignal books, papers, and documents of said company in their possession, or in the hands of any of its officers, agents, servants, or any other person for them, so far as he shall
658 judge necessary to carry into execution the object of this appointment. And if in the course of his examination he shall discover any cause of suspicion or mismanagement, or if he shall deem it necessary or expedient for the purpose of a thorough investigation of the affairs of said company, he is hereby authorized to examine on oath, by him to be administered, all or any officer or agent, or servant of said company, or any other person, touching the affairs of said company; that he shall make a full and fair investigation of the affairs of said company, and of their management thereof during the year next preceding said statement, and that he report to this court whether the said statement, this day made by said company, contains a full and true account of the several matters required by the order of this court with which it assumes to comply.

And it is further ordered that he especially examine the condition of the

banking department, whether its management is safe, and whether the standing rules relating to it have been observed faithfully, whether the debts due to it are dormant or active, whether any issues of evidences of debt have been made in forms not permitted by law, whether any such issues are payable in any other thing except cash and on demand; that he especially notice in his report every transaction or usage or act of this company which in his opinion is either unauthorized or prejudicial to the public interest; that he state his opinion in relation to the ability and integ-
659 rity with which the affairs of said company have been conducted, and in relation to the prudence, safety, and productiveness of its investments, the safety of those holding its engagements, the advantages and disadvantages which result from its dealings to the public and to the various classes of individuals and corporations, and its effects upon the business operations of the community. And said master is directed further to enquire if the said company or any of its officers are engaged in any business either prohibited by or contrary to the policy of the laws of this State, or calculated to affect the credit of said company.

It is ordered that said company shall provide for said master commissioner a convenient apartment and such clerks as he shall deem necessary, and every other aid in their power calculated to facilitate his enquiry; that they submit all their books, papers, and documents to his examination, and furnish copies of such parts thereof as he shall require. If the said company shall refuse to submit its papers and documents to the examination of said master commissioner, or if its officers or any other person shall refuse to submit to his examination, it is ordered that said master commissioner shall forthwith report the facts touching such refusal to the supreme court wherever the same shall be in session, so that measures may be taken to secure the due observance of this order.

It is further ordered that said master shall make his full report touching the matters aforesaid and deposit with the clerk of this court on or
660 before the first day of July next, to be by him filed; and that the said master transmit one copy thereof to each of the judges of this court, and one copy thereof to the company, at the cost of the said company; and leave is given to said company to publish said report with their statement and the orders of this court.

Supreme court of Ohio in bank, December term, A. D. 1842, to wit, December 30, A. D. 1842.

In the matter of the Ohio Life Insurance and Trust Company.

In this matter the master commissioner having returned his report, the same is inspected by the court together with the explication made herein by the life insurance and trust company. And on consideration nothing is found therein to require the interposition of this court. And the company having heretofore at this term returned their annual statement, and the same having been inspected by the court, Richard Hilliard is hereby appointed a special master commissioner of this court in this behalf, and the examination of said statement and of the condition of said company is hereby referred to him.

It is therefore ordered that the said master commissioner repair to the office of said company and examine the original books, papers, and documents of said company in their possession or in the hands of its officers,
661 agents, or servants, or other persons for them, so far as he shall judge necessary to carry into execution the object of this appointment. And if in the course of his examination he shall discover any cause of suspicion or mismanagement, or if he shall deem it necessary or expedient for the

purpose of a thorough investigation of the affairs of said company, he is hereby authorized to examine on oath, by him to be administered, all or any officer, or agent, or servant of said company, or any other person, touching the affairs of said company; that he shall make a full and fair investigation of the affairs of said company, and of their management thereof during the year next preceding said statement, and that he report to this court whether the said statement this day made by said company contain a full and true account of the several matters required by the order of this court with which it assumes to comply.

And it is further ordered that he specifically examine the condition of the banking department, whether its management is safe, and whether the standing rules relating to it have been observed faithfully, whether the debts due to it are dormant or active, whether any issues of evidences of debt have been made in forms not permitted by law, whether any such issues are payable in any other thing than cash and on demand; that he specially notice in his report every transaction, or usage, or act of this company which is in his opinion either unauthorized or prejudicial to the pub-
662 lic interest; that he state his opinion in relation to the ability and integrity with which the affairs of said company have been conducted, and in relation to the prudence, safety, and productiveness of its investments, the safety of those holding its engagements, the advantages and disadvantages which result from its dealings to the public and to the various classes of individuals and corporations, and its effects upon the business operations of the community. And said master is directed further to enquire if the said company or any of its officers are engaged in any business either prohibited by or contrary to the policy of the laws of this State or calculated to affect the credit of said company.

It is ordered that said company shall provide for said master commissioner a convenient apartment, and such clerks as he shall deem necessary, and every other aid in their power calculated to facilitate his enquiry; that they shall submit all their books, papers, and documents to his examination, and furnish copies of such parts thereof as he shall require. If the said company shall refuse to submit its papers and documents to the examination of said master commissioner, or if its officers or any other person shall refuse to submit to his examination, it is ordered that said master commissioner shall forthwith report the facts touching such refusal to the supreme court wherever the same shall be in session, so that measures may be taken to secure the due observance of this order.

It is further ordered that said master shall make his full report
663 touching the matters aforesaid, and deposit it with the clerk of this court on or before the first day of July next, to be by him filed; and that said master transmit one copy thereof to each of the judges of this court and one copy thereof to the company, at the cost of the said company; and leave is given said company to publish such report with their statement and the orders of this court.

Supreme court of Ohio in bank, December term, A. D. 1843, to wit, January 6th, 1844.

In the matter of the Ohio Life Insurance and Trust Company.

In this matter the master commissioner having returned his report the same is inspected by the court, together with the application herein by the said life insurance and trust company; and on consideration nothing is found therein to require the interposition of this court. And the company having heretofore at this term returned their annual statement, and the same having been inspected by the court, Edwin M. Stanton is hereby appointed

a special master commissioner of this court in this behalf, and the examination of said statement and of the condition of said company is hereby referred to him.

It is therefore ordered that the said master commissioner repair to
664 the office of said company and examine the original books, papers, and documents of said company in their possession, or in the hands of any of its officers, agents, or servants, or other persons for them, so far as he shall judge necessary to carry into execution the object of this appointment. And if in the course of his examination he shall discover any cause of suspicion or mismanagement, or if he shall deem it necessary or expedient for the purpose of a thorough investigation of the affairs of said company, he is hereby authorized to examine on oath, by him to be administered, all or any officer, or agent, or servant of said company, or any other person, touching the affairs of said company; that he shall make a full and fair investigation of the affairs of said company, and of their management thereof during the year next preceding said statement, and that he report to this court whether the said statement, this day made by said company, contains a full and true account of the matters required by the order of this court, with which it assumes to comply.

And it is further ordered that he specifically examine the condition of the banking department, whether its management is safe, and whether the standing rules relating to it have been observed faithfully, whether the debts due to it are dormant or active, whether any issues of evidences of debt have been made in forms not permitted by law, whether any such issues are payable in anything except cash and on demand; that he specially notice in his report every transaction, or usage, or act of this compa-
665 ny which in his opinion is either unauthorized or prejudicial to the public interest; that he state his opinion in relation to the ability and integrity with which the affairs of said company have been conducted, and in relation to the prudence, safety, and productiveness of its investment, the safety of those holding its engagements, the advantages and disadvantages which result from its dealings to the public and to the various classes of individuals and corporations, and its effects upon the business operations of the community. And said master is directed further to enquire if the said company or any of its officers are engaged in any business either prohibited by or contrary to the policy of the laws of this State or calculated to effect the credit of said company.

It is ordered said company shall provide for said master commissioner a convenient apartment and such clerks as he shall deem necessary, and every other aid in their power calculated to facilitate his enquiry; that they shall submit all their books, papers, and documents to his examination and furnish copies of such parts thereof as he shall require. If the said company shall refuse to submit its papers and documents to the examination of said master commissioner, or if its officers or any other person shall refuse to submit to his examination, it is ordered that said master commissioner shall forthwith report the facts touching such refusal to the supreme court wher-
ever the same shall be in session, so that measures may be taken to
666 secure the due observance of this order.

It is further ordered that said master shall make his full report touching the matters aforesaid, and deposit it with the clerk of this court on or before the first day of July next, to be by said clerk filed, and that said master transmit one copy thereof to each of the judges of this court and one copy thereof to the company at the costs of the said company; and leave is given said company to publish said report with their statement and the order of this court.

Supreme court of Ohio in bank, December term, A. D. 1844, to wit, December 31st, A. D. 1844.

In the matter of the Ohio Life Insurance and Trust Company.

In this matter the master commissioner having returned his report, the same is inspected by the court, together with the explication made herein by the said life insurance and trust company; and on consideration nothing is found therein to require the interposition of this court. And the company having heretofore at this term returned their annual statement, and the same having been inspected by the court, Ebenezer Lane is hereby appointed a special master commissioner of this court in this behalf, and the examination of said statement and of the condition of said company is hereby referred to him.

It is thereupon ordered that the said master commissioner repair to
667 the office of said company and examine the original books, papers, and documents of said company in their possession or in the hands of any of its officers, agents, or servants, or other persons, touching the affairs of said company; that he shall make a full and fair investigation of the affairs of said company and of their management thereof during the year next preceding said statement, and that he report to this court whether the said statement this day made by said company contains a full and true account of the several matters required by the order of this court with which it assumes to comply.

And it is further ordered that he specifically examine the condition of the banking department, whether its management is safe and whether the standing rules relating to it have been observed faithfully, whether the debts due to it are dormant or active, whether any issues of evidences of debt have been made in forms not permitted by laws; whether any such issues are made payable in any other thing except cash and on demand; that he specially notice in his report every transaction or usage or act of this company which in his opinion is either unauthorized or prejudicial to the public interest; that he state his opinion in relation to the ability and integrity with which the affairs of said company have been conducted and in relation to the prudence, safety, and productiveness of its investments, the safety of those holding its engagements, the advantages and disadvantages which result from its dealings to the public and to the various classes of indi-
668 viduals and corporations, and its effects upon the business operations of the community. And said master is directed further to enquire if the said company or any of its officers are engaged in any business either prohibited by or contrary to the policy of the laws of this State or calculated to effect the credit of said company.

It is ordered that said company shall provide for said master commissioner a convenient apartment and such clerks as he shall deem necessary and every other aid in their power calculated to facilitate his enquiry; that they shall submit all their books, papers, and documents to his examination, and furnish copies of such parts thereof as he shall require. If the said company shall refuse to submit its papers and documents to the examination of said master commissioner, or if its officers or any other person shall refuse to submit to his examination, it is ordered that said master commissioner shall forthwith report the facts touching such refusal to the supreme court wherever the same shall be in session, so that measures may be taken to secure the due observance of this order.

It is further ordered that said master shall make his full report touching the matters aforesaid, and deposit it with the clerk of the court on or before the first day of July next, to be by said clerk filed, and that said master

transmit one copy thereof to each of the judges of this court and one
669 copy thereof to the company at the cost of said company; and leave is given said company to publish said report with their statement and the orders of this court.

Supreme court of Ohio in bank, January term, A. D. 1846, to wit, January 8th, 1846.

In the matter of the Ohio Life Insurance and Trust Company.

The master commissioner to whom the investigation of the affairs of said company was committed having made his report, and the same being inspected and nothing in the conduct and management of the affairs of said company appearing to require the interposition of this court, the said report is confirmed, and it is ordered by the court, on the suggestion of the said master, that the general order of this court of December 7th, 1835, be abrogated and the following be substituted for the same:

In bank.

In conformity with the 20th section of the act to incorporate the Ohio Life Insurance and Trust Company, passed on the 12th day of February, 1834, it is ordered that on the first day of each term hereafter of this court, sitting in bank, the board of trustees shall exhibit to the court a statment of the affairs of said company as they exist on the last day of October
670 next before such annual statement by which they shall show,

I. The amount of loans in the trust department secured by mortgage, not including interest, specifying, 1, the number and aggregate amount of loans in each county in classes of $300 and less, $500 and less, $1,000 and less, $5,000 and less, $10,000 and less, and above $10,000; 2, the estimated value of the land mortgaged; 3, the number of cases in which interest is delinquent and the amount of such original loan; 4, the number and original amount of loans which have been prosecuted.

II. The amount, without interest, of loans in the trust department to individuals not secured by bond and mortgage or pledges of stocks, omitting loans to corporations, specifying as above.

III. The amount, without interest, of loans to individuals upon pledges of stock, specifying kinds of stock, amount loaned to each, the nominal, and if known, the market value.

IV. The amount of loans in said department made upon personal security only, specifying 1st, the times of credit, on demand or within six months, or for six months or longer; 2d, number and original amount of loans delinquent.

V. The amount of deposits in the trust department, the number of
671 depositors, and the amount of monies deposited on trust for accumulation.

VI. A statement of the banking department of said company, showing:

1st. The amount of deposite as capital stock and the length of time and rates of interest paid thereon.

2nd. The amount of other deposits, specifying how much is subject to withdrawal on demand or on notice of six months or less or longer time of notice.

3d. The amount of loans made on said banking department, designating 1st, the amount loaned on securities other than bills and notes, and the nature of such and the time of credit; 2nd, the amount loaned on bills of exchange and notes, showing how much is loaned on a credit not longer than

one hundred days, how much for a period not longer than six months, and how much for a longer period, and further specifying how much is payable at the office in Cincinnati, how much elsewhere butwithin the State of Ohio, and how much is payable at places not in said State, especially the amount payable at either of the cities of Boston, New York, Philadelphia, Baltimore, and New Orleans.

4th. The amount of cash on hand, designating 1st, American gold; 2nd, foreign gold; 3d, silver; and fourth, notes of other banks, showing 1st, the amount of city of Cincinnati notes; 2nd, the amount of notes of other Ohio banks; 3d, the amount of notes of banks in other western States;
672 and 4th, the amount of notes of banks in the eastern States.

5th. The amount of its notes circulation at the time of its statement and the amount of the several denominations of said notes.

6th. The amount due from other banks, how much of such amount bears interest, and the rate of interest.

7th. The several aggregate amounts received during the year next previous to such annual statements from, 1st, discounts; 2nd, premiums of exchange; 3d, damages; 4th, interest upon deposit made by the company; and 5th, on commissions for collections.

8th. The amount of suspended debt remaining due thirty days or longer, with the interest due thereon.

9th. The amount of loans in judgment and the amount on which suits are directed or pending.

VII. The amount of all loans to money corporations specifying 1st, the amount to each; 2d, the time when made and the length of credit; 3d, the rate of interest; 4th, the nature and value of the security.

VIII. The amount of all loans to other corporations, specifying the several matters contained in the last requisition.

673 IX. The amounts of stocks owned by the company, specifying each kind and description, the number and nominal value of the shares of each, and the market value thereof, and the prices at which said stocks were purchased or received in payment.

X. A statement of the real estate held by the company for the transaction of its business and an estimate of its present value; likewise a statement of the real estate required and held by the company in payment of debts, showing its cost and the amount for which it was taken and its present value.

XI. The situation of the cash on hand, whether it remains in the bank of said company or deposited in some other bank, specifying the bank and the amount deposited, or if any remains in the hands of the officers or agents of the company, specify their names and the amount held by each.

XII. The amount and real value of all other property or effects of the company, specifying the nature and value of such property and effects particularly.

XIII. The amount of all securities taken for monies received by the company in trust to be invested at the risk and for the benefit of the persons from whom such monies were received or of other persons designated by the trust.

XIV. The amounts due from individuals or corporations other than
674 loans specifying the names of the several persons from whom the same is due, the amount due from each, the nature of their indebtedness, the time when the several debts were contracted and when they became payable, whether collectable or not, and whether in suit or prosecuted.

XV. The aggregate collections made by others by said company during said year, designating the States in which such collections were made and the rates charged for such collections, and the amount of such paper in hand for collection at the time of such statement.

XVI. The aggregate amount of exchange bought and sold during the year and a specification of the same in the following manner, with the rate of exchange on each: 1st, the amount drawn on and received from the New England States; 2d, New York; 3d, New Jersey and Pennsylvania; 4th, Delaware and Maryland; 5th, the southern Atlantic States; 6th, the south-western States; 7th, the States west of the State of Ohio; and 8th, the amount of domestic exchange within the State of Ohio.

XVII. A list of the names of persons having a balance of accounts amounting to $5 00 and upwards lying in the hands of said company for a year or longer without change and without any special contract for the continuance thereof, and the amounts to the credit of each.

675 XVIII. A full balance sheet of the affairs of said banking department; likewise a full balance sheet of the affairs of said company; and which statement shall also exhibit and set forth the number of stockholders, the amount of capital stock of the company, and the amount and particular nature and description of all debts, demands, and claims against the company, and of all responsibilities incurred by the company as follows: 1st. The amount of the capital stock of the company, and the number of stockholders owning the same, designating the number of stockholders residing out of the state, and the amount of stock held by them collectively, the number of stockholders residing in the State other than trustees of the company and the amount of stock so held by them; and the number of trustees of the company residing in the State and the amount of stock held by each, but without disclosing the names of such trustees in connection with the amount of stock held by them respectively; the amount of loans to said trustees and the amount of loans to stockholders other than trustees. 2nd. The amount of monies deposited on trust by order of the court of chancery or probate, to be invested or kept at the risk of the company, including monies deposited on trust of accumulation due and the accumulations thereon which have become a part of the principal. 3d. The amount of deposites by other persons and companies, other than monied corporations, on trust to be invested or kept as aforesaid, or on trust of accumulation and in-

676 cluding the accumulations thereon which have become a part of the principal. 4th. The amount of deposites by banks to other monied corporations on trust to be invested or kept as aforesaid or on trust of accumulation, including the accumulations thereon which have become a part of the principal, specifying the amount deposited by each company. 5th. The amount received by the company or for which it is liable as guardian of the estate of infants, including accumulations thereon and interest computed as before directed and deducting expenses and commissions. 6th. The amount received by the company or for which it is liable as receiver, including accumulations and interest as aforesaid, and deducting expenses and commissions. 7th. The amount due for life insurances which have not been paid after the event has happened. 8th. The amount received for premiums on life insurances where the persons whose lives are insured are still living, specifying also the number of such lives remaining insured, the average length of time such lives will continue according to the tables used by the company, the amount of premiums payable annually to the company on such insurances, and the amount which will become due from the company upon the death of such persons. 9th. The amount due for arrears of annuities which have become due and payable. 10th. The amount received upon the sale of annuities when the annuities still continue, specifying also

677 the number of such annuities, the average time of the continuance thereof according to the annuity tables, and the total amount payable therefor annually. 11th. The amount of all dividends unpaid to stockholders entitled to the same. 12th. The amount received in trust to be in-

vested at the risk and for the benefit of persons from whom the monies were received, or other persons designated in the trust, including the interest or income received thereon by the company and remaining in its hands, deducting the expenses and commissions on such investments and trusts as agreed on by the parties or as fixed by the bye-laws or regulations of the company at the time of the creation of the trust, where no special agreement as to such expense and commissions was made by the parties. 13th. The amount of all other debts or demands against the company, specifying particularly the nature of such debts, respectively, designating between such as are absolutely due and such as become payable on some contingent event, and such as are claimed but not admitted by the trustees to be due. 14th. The amount of debts, charges within the year to profit and loss as had, and the amount of any debts contained in the said statement known to be had or believed to be uncollectable, and which statement shall also exhibit and set forth the amounts of dividends declared and taxes paid during the preceding year, the names and residences of all the trustees and other officers of the company, the salaries or annual compensation paid to each of the of-
678 ficers of the company who receive a salary or annual compensation, the number and names of its ordinary agents and the manner and customary expense of obtaining and discharging a loan, and all the bye-laws and regulations adopted by the trustees and remaining in force. It shall also contain such other facts and details as the trustees may think proper to insert therein and which they may deem necessary to enable the court to form a correct opinion of the manner in which the affairs of the said company have been conducted and managed the preceding year, and that the same be verified by the oaths of the president, secretary and cashier of the company.

Supreme Court of Ohio in Bank, January term, A. D. 1846, to wit, January 31, A. D. 1846.

In the matter of the Ohio Life Insurance and Trust Company.

In this matter the master commissioner having returned his report, the same is inspected by the court, together with the explication made herein by the said Life Insurance and Trust Company; and on consideration nothing is found therein to require the interposition of this court. And the company having heretofore at this term returned their annual statement, and the same having been inspected by the court, Benjamin Tappan, sen'r, is hereby appointed a special master commissioner of this court in this behalf, and the examination of said statement and of the condition of said com-
679 pany is hereby referred to him. It is therefore ordered that the said master commissioner repair to the office of said company and examine the original books, papers, and documents of said company in their possession or in the hands of any of its officers, agents, or servants, or other person for them so far as he shall judge necessary to carry into execution the object of this appointment. And if in the course of examination he shall discover any cause of suspicion or mismanagement or if he shall deem it necessary or expedient for the purpose of a thorough investigation of the affairs of said company, he is hereby authorized to examine on oath, to be administered by him, all or any officer, or agent, or servant of said company, or any other person touching the affairs of said company; that he shall make a full and fair investigation of the affairs of said company, and of the management thereof during the year next preceding said statement, and that he report to this court whether the statement this day made by said company contain a full and true account of the several matters required by the order of this court with which it assumes to comply.

And it is further ordered that he specifically examine the condition of the banking department, whether its management is safe, and whether the standing rules relating to it have been observed faithfully, whether the debts due to it are dormant or active, whether any issues of evidences of debt have been made in forms not permitted by law, whether any such issues are payable in any other thing except cash and on demand; that he specifically notice in his report every transaction, or usage, or act of the company which is in his opinion *is* either unauthorized or prejudicial
680 to the public interest; that he state his opinion in relation to the ability and integrity with which the affairs of said company have been conducted and in relation to the prudence, safety, and productiveness of its investments, the safety of those holding its engagements, the advantages and disadvantages which result from its dealings to the public and to the various classes of individuals and corporations, and its effects upon the business operations of the community; And said master is directed further to inquire if the said company or any of its officers are engaged in any business either prohibited by or contrary to the policy of the laws of this State, or calculated to affect the credit of said company.

It is ordered that said company shall provide for said master commissioner a convenient apartment and such clerks as he shall deem necessary and every other aid in their power calculated to facilitate his enquiry; that they shall sumbit all their books, papers, and documents to his examination, and furnish copies of such parts thereof as he shall require. If the said company shall refuse to submit its papers and documents to the examination of said master commissioner, or if his officers or any other person shall refuse to submit to his examination, it is ordered that said master commissioner shall forthwith report the facts touching such refusal to the supreme court wherever the same shall be in session, so that measures may be taken to secure the due observance of this order.

It is further ordered that said master commissioner shall make his full report touching the matters aforesaid, and deposit it with the clerk of
681 this court on or before the first day of July next, to be by him filed; and that said master transmit one copy thereof to each of the judges of this court, and one copy thereof to the company at the costs of said company; and leave is given the said company to publish said report with their statement and the order of this court.

Supreme court of Ohio in bank, December term, A. D. 1846, to wit, January 23, A. D. 1846.

In the matter of the Ohio Life Insurance and Trust Company.

Ordered by the court that John C. Spink be, and he is hereby, appointed a special master commissioner of this court to examine into the condition of the Ohio Life Insurance and Trust Company.

And it is further ordered that the said master commissioner repair to the office of said company and examine the original books, papers, and documents of said company in their possession or in the hands of any of its officers, agents, or servants, or other person for them, so far as he shall judge necessary to carry into execution the object of the appointment. And if in the course of his examination he shall discover any cause of suspicion or mismanagement, or if he shall deem it necessary or expedient for the purpose of a thorough investigation of the affairs of said company, he is hereby authorized to examine on oath, to be administered by him, all or any officer, or agent, or servant of said company, or any other person, touching the affairs of said company; that he shall make a full and fair investi-
682 gation of the affairs of said company and of the management thereof,

during the year immediately preceding their last statement made to this court at its last term, and also during the year last past, and that he report whether said statement contains a full and true account of the several matters required by the order of this court with which it assumes to comply.

And it is further ordered that he specifically examine the condition of the banking department and whether its management is safe, and whether the standing rules relating to it have been observed faithfully, whether the debts due to it are dormant or active, whether any issues of evidences of debt have been made in forms not permitted by law, whether any such are payable in any other thing except cash and on demand; that he specifically notice in his report every transaction, or usage, or act of this company which in his opinion is either unauthorized or prejudicial to the public interest; that he state his opinion in relation to the ability and integrity with which the affairs of the said company have been conducted and in relation to the prudence, safety, and productiveness of its investments, the safety of those holding its engagements, the advantages, and disadvantages which result from its dealings to the public and to the various classes of individuals and corporations, and its effects upon the business operations of the community. And said master is directed further to enquire if the said company or any of its officers are engaged in any business
683 either prohibited by or contrary to the policy of the laws of this State, or calculated to affect the credit of said company.

It is further ordered that the said company shall provide for said master commissioner a convenient apartment and such clerks as he shall deem necessary, and every other aid in their power calculated to facilitate his enquiry; that they shall submit all their books, papers, and documents to his examination, and furnish copies of such parts thereof as he shall require. If the said company shall refuse to submit its papers and documents to the examination of the said master commissioner, or if its officers or any other person shall refuse to submit to his examination, it is ordered that the said master commissioner shall forthwith report the facts touching such refusal to the supreme court wherever the same shall be in session, so that measures may be taken to secure the due observance of this order.

It is further ordered that the said master shall make his full report touching the matters aforesaid, and deposit with the clerk of this court on or before the first day of July next, to be by said clerk filed; and that said master transmit one copy thereof to each of the judges of this court, and one copy thereof to the company at the costs of said company; and leave is given said company to publish said report with their statement and the orders of this court.

684 Supreme court of Ohio in bank, December term, A. D. 1846, to wit, January 25, 1846.

In the matter of the Ohio Life Insurance and Trust Company.

Report filed and continued.

Supreme court of Ohio in bank, December term, A. D. 1847, to wit, December 11, 1847.

In the matter of the Ohio Life Insurance and Trust Company.

The annual report of the Ohio Life Insurance and Trust Company for the year 1847, was this day filed.

Supreme court of Ohio in bank, December term, A. D. 1847, to wit, January 4, 1848.

In the matter of the Ohio Life Insurance and Trust Company.

Ordered by the court that John L. Green of Chillicothe, be, and he is

hereby, appointed a special master commissioner of this court to examine into the condition of the Ohio Life Insurance and Trust Company.

And it is further ordered that the said master commissioner repair to the office of said company and examine the original books, papers, and documents of said company in their possession, or in the hands of any of their officers, agents, or servants or other person for them, so far as he shall judge necessary to carry into execution the object of this appointment.

685 And if in the course of his examination he shall discover any cause of suspicion or mismanagement, or if he shall deem it necessary or expedient for the purpose of a thorough investigation of the affairs of said company, he is hereby authorized to examine on oath, to be by him administered, all or any officer, agent, or servant of said company, or any other person, touching the affairs of said company; that he shall make a full and fair investigation of the affairs of said company, and of the management thereof during the year next preceding this last annual statement returned to and filed at the present term of this court, and that he report whether the said statement contains a full and true account of the several matters required by the order of this court with which it assumes to comply.

And it is further ordered that he specifically examine the condition of the banking department, and whether its management is safe, and whether the standing rules relating to it have been observed faithfully, whether the debts due to it are dormant or active, whether any issues of evidences of debt have been made in forms not permitted by law, and whether any such issues are payable in any other thing except cash and on demand; that he specifically notice in his report every transaction, or usage, or act of this company which in his opinion is either unauthorized or prejudicial to the public interest; that he state his opinion in relation to the ability and integrity with which the affairs of said company have been conducted, and in relation to the prudence, safety, and productiveness of its invest-

686 ments, the safety of those holding its engagements, the advantages and disadvantages which result from its dealings to the public and to the various classes of individuals and corporations, and its effects upon the business operations of the community.

And the said master is further directed to inquire if the said company or any of its officers are engaged in any business either prohibited by or contrary to policy of the laws of this State or calculated to affect the credit of said company.

It is further ordered that the said company shall provide for said master commissioner a convenient apartment and such clerks as he shall deem necessary, and every other aid in their power calculated to facilitate his enquiry; that they shall submit all their books, papers, and documents to his examination, and furnish copies of such parts thereof as he shall require. If the said company shall refuse to submit its papers and documents to the examination of the said master commissioner, or if its officers or any other person shall refuse to submit to his examination, it is ordered that the said master commissioner shall forthwith report the facts touching such refusal to the supreme court wherever the same shall be in session, so that measures may be taken to secure the due observance of this order.

It is further ordered that the said master shall make his full report touching the matters aforesaid, and deposit it with the clerk of this court on or before the first of July next, to be by said clerk filed; and that said master transmit one copy thereof to each of the judges of this court, and

687 one copy thereof to the company at the costs of said company; and leave is given said company to publish said report with their statement and the orders of this court.

Supreme court of Ohio in bank, December term, A. D. 1848, to wit, January 2, 1849.

In the matter of the Ohio Life Insurance and Trust Company.

Ordered by the court that Hon. Reuben Wood, of Cuyahoga County, be, and he is hereby, appointed a special master commissioner of this court to examine into the condition of the Ohio Life Insurance and Trust Company.

And it is further ordered that the said master commissioner repair to the office of said company and examine the original books, papers, and documents of said company in their possession or in the hands of any of their officers, agents, or servants, or other person for them, so far as he shall judge necessary to carry into execution the object of this appointment. And in the course of his examination he shall discover any cause of suspicion or mismanagement, or if he shall deem it necessary or expedient for the purpose of a thorough investigation of the affairs of said company, he is hereby authorized to examine on oath, to be by him administered, all or any officer, agent, or servant of said company, or any other person, touching the affairs of said company. That he shall make a full and fair investigation of the affairs of said company, and of the management thereof during the
688 year next preceding their last annual statement returned to and filed at the present term of this court, and that he report whether the said statement contains a full and true account of the several matters required by the order of this court with which it assumes to comply.

And it is further ordered that he specifically examine the condition of the banking department, and whether its management is safe, and whether the standing rules relating to it have been observed faithfully, whether the debts due to it are dormant or active, whether any issues of evidences of debt have been made in forms not permitted by law, and whether any such issues are payable in any other thing except cash and on demand; that he specifically notice in his report every transaction, or usage, or act of this company which in his opinion is either unauthorized or prejudicial to the public interest; that he state his opinion in relation to the ability and integrity with which the affairs of said company have been conducted, and in relation to the prudence, safety, and productiveness of its investments, the safety of those holding its engagements, the advantages and disadvantages which result from its dealings to the public and to the various classes of individuals and corporations, and its effects upon the business operations of the community. And the said master is further directed to inquire if the said company or any of its officers are engaged in any business either prohibited by or contrary to the policy of the laws of this State, or
689 calculated to effect the credit of said company.

It is further ordered that the said company shall provide for said master commissioner a convenient apartment and such clerks as he shall deem necessary, and every other aid in their power calculated to facilitate his enquiry, and they shall submit all their books, papers, and documents to his examination, and furnish copies of such parts thereof as he shall require. If the said company shall refuse to submit its papers and documents to the examination of the said master commissioner, or if its officers or any other person shall refuse to submit to his examination, it is ordered that the said master commissioner shall forthwith report the facts touching such refusal to the supreme court wherever the same shall be in session, so that measures may be taken to secure the due observance of this order.

It is further ordered that the said master shall make his full report touching the matters aforesaid, and deposit it with the clerk of this court on or before the first day of July next, to be by said clerk filed; and that said master transmit one copy thereof to each of the judges of this court, and

one copy thereof to the said company at the costs of said company; and leave is given said company to publish said report with their statement and the order of this court.

Supreme court of Ohio in bank, December term, 1849, to wit, January 14, 1850.

In the matter of the Ohio Life Insurance and Trust Company.

690 Ordered by the court that Matthew Birchard, of Trumbull County, be, and he is hereby, appointed a special master commissioner of this court, to examine into the condition of the Ohio Life Insurance and Trust Company.

And it is further ordered that said master commissioner repair to the office of the said company, and examine into the original books, papers, and documents of said company in their possession, or in the hands of any of their officers, agents or servants, or other person for them, so far as he shall judge necessary to carry into execution the object of this appointment. And if in the course of his examination he shall discover any cause of suspicion or mismanagement, or if he shall deem it necessary or expedient for the purposes of a thorough investigation of the affairs of said company, he is hereby authorized to examine on oath, to be administered by him, all or any officer, agent, or servant of said company, or any other person, touching the affairs of said company; that he shall make a full and fair investigation of the affairs of said company, and of the management thereof during the year next preceding their annual statement returned to and filed at the present term of this court, and that he report whether the said statement contains a full and true account of the several matters required by order of this court with which it assumes to comply.

And it is further ordered that he specifically examine the condition of the banking department, and whether its management is safe, and whether the standing rules in relation to it have been observed faithfully, whether
691 the debts due it are dormant or active, whether any issues of evidences of debt have been made in forms not permitted by law, and whether any such issues are payable in any other thing except cash and on demand; that he specifically notice in his report every transaction or usage or act of this company which in his opinion is either unauthorized or prejudicial to the public interest; that he state his opinion in relation to the ability and integrity with which the affairs of the said company have been conducted, and in relation to the prudence, safety, and productiveness of its investments, the safety of those holding its engagements, the advantages and disadvantages which result from its dealings to the public, and to the various classes of individuals and corporations, and its effects upon the business operations of the community. And the said master is further directed to inquire if the said company or any of its officers are engaged in any business either prohibited by or contrary to the policy of the laws of this State or calculated to affect the credit of said company.

It is further ordered that the said company shall provide for said master commissioner a convenient apartment, and such clerks as he shall deem necessary, and every other aid in their power calculated to facilitate his enquiry, and they shall submit all their books, papers, and documents to his examination, and furnish copies of such parts thereof as he shall require. If the said company shall refuse to submit its papers and documents to the examination of the said master commissioner, or if its officers or any
692 other person shall refuse to submit to an examination, it is ordered that the said master commissioner shall forthwith report the facts

touching such refusal to the supreme court wherever the same shall be in session, so that measures may be taken to secure the due observance of this order.

It is further ordered that the said master shall make his full report touching the matters aforesaid, and deposit it with the clerk of this court on or before the first day of July next, to be by said clerk filed; and that the said master transmit one copy thereof to each of the judges of this court, and one copy thereof to the said company, at the costs of said company; and leave is given the said company to publish said report with their statement and the order of this court.

Supreme court of Ohio in bank, December term, A. D. 1850, to wit, January 4, 1851.

In the matter of the Ohio Life Insurance and Trust Company.

Ordered by the court that Thomas L. Jewett, of Jefferson County, be, and he is hereby, appointed a special master commissioner of this court to examine into the condition of the Ohio Life Insurance and Trust Company.

And it is further ordered that the said master commissioner repair to the office of the said company and examine into the original books, papers, and documents of the said company in their possession, or in the hands of their officers, agents, or servants, or other person for them, so far as he shall judge necessary to carry into execution the object of this appoint-
694 ment. And if in the course of his examination he shall discover any mismanagement or *or* cause of suspicion, or if he shall deem it necessary or expedient for the purpose of a thorough investigation of the affairs of said company, he is hereby authorized to examine on oath, to be administered by him, all or any of the officers, agents, or servants of said company, or any other person, touching the affairs of said company; that he shall make a full and fair investigation of the affairs of the said company, and of the management thereof during the year next preceding their last annual statement returned to and filed at the present term of this court, with which it assumes to comply.

And it is further ordered that he specifically examine the condition of the banking department, and whether its management is safe, and whether the standing rules in relation to it have been observed faithfully, whether the debts due it are dormant or active, whether any issues of evidences of debt have been made in forms not permitted by law, and whether such issues are payable in any other thing except cash and on demand; that he specifically notice in his report every transaction, or usage, or act of this company which in his opinion is either unauthorized or prejudicial to the public interest; that he state his opinion in relation to the ability and integrity with which the affairs of the said company have been conducted, and in relation to the prudence, safety, and productiveness of its investments, the safety of those holding its engagements, the advantages and disadvantages which result from its dealings to the public and to the various classes of individuals and corporations, and its effects upon the business operations of the community.
695 And the said master is further directed to inquire if the said company or any of its officers are engaged in any business either prohibited by or contrary to the policy of the laws of this State or calculated to affect the credit of the said company.

It is further ordered that the said company shall provide for said master commissioner a convenient apartment, and such clerks as he shall deem necessary, and every other aid in their power calculated to facilitate his inquiry, and they shall submit all their books, papers, and documents to his examination, and furnish copies of such parts thereof as he shall require. If

the said company shall refuse to submit its papers and documents to the examination of the said master commissioner, or if its officers or any other person shall refuse to submit to his examination, it is ordered that the said master commissioner shall forthwith report the facts touching such refusal to the supreme court wherever the same shall be in session, so that measures may be taken to secure the due observance of this order.

It is further ordered that the said master shall make his full report touching the matters aforesaid, and deposit it with the clerk of this court on or before the first day of July next, to be by said clerk filed; and that the said master transmit one copy thereof to each of the judges of this court, and one copy thereof to the said company, at the costs of said company; and leave is given the said company to publish said report with their statement and the order of this court.

696 Supreme court of Ohio in bank, December term, A. D. 1851, to wit, January 13, 1852.

In the matter of the Ohio Life Insurance and Trust Company.

Ordered that the Hon. Peter Hitchcock, of Geauga County, be, and he is hereby, appointed a special master commissioner of this court to examine into the condition of the Ohio Life Insurance and Trust Company.

And it is further ordered that the said master commissioner repair to the office of the said company and examine into the original books, papers, and documents of the said company in their possession, or in the hands of their officers, agents, or servants, or other person for them, so far as he shall judge necessary to carry into execution the object of this appointment. And if in the course of his examination he shall discover any mismanagement or cause of suspicion, or if he shall deem it necessary or expedient for the purpose of a thorough investigation of the affairs of said company, he is hereby authorized to examine on oath, to be administered to him, all and any of the officers, agents, or servants of said company, or any person touching, the affairs of said company; that he shall make a full and fair investigation of the affairs of the said company, and of the management thereof during the year next preceding their last annual statement, returned to and filed at the present term of this court, and that he report whether the said statement contains a full and true account of the several matters required by the order of this court with which it assumes to comply.

697 And it is further ordered that he specifically examine the condition of the banking department, and whether its management is safe, and whether the standing rules in relation to it have been observed faithfully, whether the debts due it are dormant or active, whether any issues of evidences of debt have been made in forms not permitted by law, and whether any such issues are payable in any other thing except cash and on demand; that he specifically notice in his report every transaction, or usage, or act of this company which in his opinion is unauthorized or prejudicial to the public interest; that he state his opinion in relation to the ability and integrity with which the affairs of the said company have been conducted, and in relation to the prudence, safety, and productiveness of its investments, the safety of those holding its engagements, the advantages and the disadvantages which result from its dealings to the public and to the various classes of individuals and corporations, and its effects upon the business operations of the community. And the said master is further directed to inquire if the said company or any of its officers are engaged in any business either prohibited by or contrary to the policy of the laws of this State or calculated to affect the credit of the said company.

It is further ordered that the said company shall provide for said master

commissioner a convenient apartment and such clerks as he shall deem necessary, and every other aid in their power calculated to facilitate
698 inquiry, and they shall submit all their books, paper, and documents to his examination and furnish copies of such parts as he shall require. If the said company shall refuse to submit its papers and documents to the examination of the said master commissioner, or if its officers or any other person shall refuse to submit to its examination, it is ordered that the said master commissioner shall forthwith report the facts touching such refusal to the supreme court wherever the same shall be in session, so that measures may be taken to secure the due observance of this order.

It is further ordered that the said master shall make his full report touching the matters aforesaid and deposit it with the clerk of this court on or before the first day of July next, to be by the said clerk filed; and that the said master transmit one copy thereof to each of the judges of this court, and one copy thereof to the said company at the costs of said company; and leave is given the said company to publish said report with their statement and the order of this court.

THE STATE OF OHIO, *Franklin County, ss:*

I, T. S. Shepard, clerk of the supreme court of the State of Ohio, do hereby certify that the foregoing orders are truly taken, correctly copied from the journals of the supreme court of Ohio in bank now in my office.

Witness my hand and the seal of said court, at Columbus, this 13th day of April, A. D. 1863.

T. S. SHEPARD,

[SEAL.] *Clerk of the Supreme Court of Ohio.*

699 Supreme court of Ohio, January term, A. D. 1853, to wit, March 2nd, 1853.

In the matter of the Ohio Life Insurance and Trust Company.

The court having considered the annual statement of the board of trustees of the Ohio Life Insurance and Trust Company made at the present term, order the same to be referred to Peter P. Lowe, esquire, of Montgomery County, as master commissioner, with directions to make a full and thorough investigation into the affairs and management of the company in pursuance of the twentieth section of its charter, and for that purpose the said commissioner is hereby directed to proceed to the principal office of the company at Cincinnati, and there examine (so far as he may find expedient) the original books, records, documents, papers, and correspondence, together with the moneys, securities, and assets in the possession or control of any of the companies officers, agents, or servants; and the said commissioner is hereby authorized to interrogate on oath, to be administered by himself, any or all of the said officers, agents, or servants, and any other person or persons whomsoever, touching the affairs and management of the company, and all other matters connected therewith.

And it is ordered that said commissioner especially investigate whether the statement made to the court of the present term by the trustees afore-
700 said contains a full and true account of the affairs and management of the company during the year next preceding its date.

It is ordered also that the said commissioner examine the condition of the banking department whether its management be prudent and safe, whether the standing rules in relation thereto have been faithfully observed, whether the debts appertaining to it can or cannot be immediately realized, whether any evidences of indebtedness or deposite have been issued in forms not authorized by law, and whether any evidences of indebtedness

given by the company are payable otherwise than in money and upon demand.

And it is ordered also that the said commissioner enquire of the company or any of its officers has been engaged within the year aforesaid in any business or enterprise prohibited by law or contrary to the policy of this State, or calculated injuriously to affect the company's credit. And the said commissioner is enjoined to report every usage or transaction of the company which in his opinion is not warranted by law or is prejudicial to the public interest, and especially to ascertain and report whether the company has within the year aforesaid disobeyed or evaded any of the laws or statutes of this State. And the said commissioner is directed also to report his opinion in relation to the ability and integrity with which the affairs of the company are conducted, the prudence and safety of its investments, the
the security afforded to those by whom its engagements are held,
701 and the advantages (if any) derived by the public from its organization.

And it is furthermore ordered that the company provide the said commissioner a convenient apartment and such desks, clerks as he may deem necessary, afford every assistance within its power to facilitate his investigation, submit all its books, records, documents, papers, correspondence, moneys, securities, and assets to his examination, and furnish him copies of such books, records, documents, papers, and letters, or parts thereof, as he may require. And if the company should refuse to neglect to obey this order, or any part thereof, or if any officer of the company, or any other person, should refuse to submit to his examination, the said commissioner is directed to report the facts, touching such refusal or neglect, to the attorney general of the State, and also to the district court of Hamilton County (or if that court be not in session, to one or more of the judges of this court) that measures may be taken for the enforcement of his authority in the premises. And the said commissioner is directed to make report of his investigations and proceedings as aforesaid, and cause the same to be filed in the office of the clerk of this court on or before the first day of July next, and that he transmit one copy thereof to each of the judges of this court, one copy to the attorney general, and one copy to the president or other principal officer of the company, all which is to be done at the company's expense. And the court
do now fix the compensation of the said commissioner at eight dollars
702 per day for the time he is actually employed.

Ordered that a copy hereof, attested by the clerk of the court and sealed with its seal, be delivered to said commissioner within twenty days from and after the present term.

Supreme court of Ohio, December term, A. D. 1854, to wit, February 13th, 1854.

Ordered that Elijah Hayward be, and he is hereby, appointed a commissioner to examine the Ohio Life Insurance and Trust Company.

Supreme court of Ohio, December term, A. D. 1856, to wit, July 7th, 1857.

In the matter of the Ohio Life Insurance and Trust Company.

Ordered that L. J. Critchfield, esq., of Franklin County, be, and he is hereby, appointed a special master commissioner of this court to examine into the conditions of the Ohio Life Insurance and Trust Company.

And it is further ordered that the said master commissioner repair to the office of the said and examine into the original books, papers, and documents of the said company in their possession, or in the hands of their

officers, agents, or servants, or other person for them, so far as he shall judge necessary to carry into execution the object of this appointment.

And if in the course of his examination he shall discover any mis-
703 management or cause of suspicion, or if he shall deem it necessary or expedient for the purpose of a thorough investigation of the affairs of said company, he is hereby authorized to examine on oath, to be administered by him, all or any of the officers, agents, or servants of said company, or any other person, touching the affairs of said company; that he shall make a full and fair investigation of the affairs of the said company, and of the management thereof during the year next preceding their last annual statement returned to and filed at the present term of this court, and that he report whether the said statement contains a full and true account of the several matters required by the order of this court with which it assumes to comply.

And it is further ordered that he specifically examine the condition of the banking department, and whether its management is safe, and whether the standing rules in relation to it have been observed faithfully, whether the debts due it are dormant or active, whether any issues of evidences of debt have been made in forms not permitted by law, and whether any such issues are payable in any other thing except cash and on demand; that he specifically notice in his report every transaction, or usage, or act of this company which in his opinion is either unauthorized or prejudicial to the public interest; that he state his opinion in relation to the ability and integrity with which the affairs of the said company have been conducted, and in re-

lation to the prudence, safety, and productiveness of its invest-
704 ments, the safety of those holding its engagements, the advantages and disadvantages which result from dealings to the public, and to the various classes of individuals and corporations, and its effects upon the business operations of the community. And the said master is further directed to inquire if the said company or any of its officers are engaged in any business either prohibited by or contrary to the policy of the laws of this State, or calculated to effect the credit of the said company.

It is further ordered that the said company shall provide for said master commissioner a convenient apartment and such clerks as he shall deem necessary, and every other aid in their power calculated to facilitate his enquiry, and they shall submit all their books, papers, and documents to his examination and furnish him with copies of such parts thereof as he shall require. If the said company shall refuse to submit its papers and documents to the examination of the said master commissioner, or if its officers or any other person shall refuse to submit to his examination, it is ordered that the said master commissioner shall forthwith report the facts touching such refusal to this court, or any judge thereof, so that measures may be taken to secure the due observance of this order.

It is further ordered that the said master shall make his full report touching the matters aforesaid, and deposit it with the clerk of this court on or

before the 15th day October next, to be by the said clerk filed,
705 and that the said master transmit one copy thereof to each of the judges of this court and one copy thereof to the said company, at the costs of said company; and leave is given to the said company to publish said report with their statement and the order of this court.

Supreme court of Ohio, December term, A. D. 1856, to wit, October 15th, A. D. 1857.

In the matter of the Ohio Life Insurance and Trust Company.

It appearing to the court that the embarrassments of this company have

prevented L. J. Critchfield, as master commissioner herein, from completing his examinations and filing his report in accordance with the order of the court, it is now further ordered that said master commissioner have until the first day of January next in which to file said report.

Supreme court of Ohio, December term, A. D. 1857, to wit, January 19th, 1858.

In the matter of the Ohio Life Insurance and Trust Company.

L. J. Critchfield, esq., master commissioner appointed in accordance with the charter of this company, having filed a statement of his doings
706 under said appointment, it is ordered that he be relieved from further service under the same.

Ordered further, that said master commissioner be allowed for services and expenses in this matter the sum of one hundred dollars, and that said company pay said sum.

And it is further ordered that said company pay to Albert B. Buttles, clerk of this court, the sum of fourteen dollars ninety cents costs in this proceeding.

THE STATE OF OHIO, *Franklin County, ss:*

I, T. S. Shepard, clerk of the supreme court of the State of Ohio, do hereby certify that the foregoing orders are truly taken and copied from the journal of said court now in my office.

Witness my hand and the seal of said court, at Columbus, this 13th [SEAL.] day of April, A. D. 1863.

T. S. SHEPARD,
Clerk Supreme Court of Ohio.

707 THE STATE OF OHIO, *ss:*

At a term of the supreme court of the State of Ohio, continued and held in the court-room of the capitol, in the city of Columbus, before the Honorable Jacob Brinkerhoff, chief justice, Josiah Scott, Milton Sutliff, William V. Peck, and William Y. Ghalson, justices, on the eighteenth day of February in the year of our Lord one thousand eight hundred and sixty, (being of the term of December, A. D. 1859,) there were, among others, the following proceedings, to wit:

THE STATE OF OHIO, ON RELATION OF THE ATTORNEY GENERAL
vs.
THE OHIO LIFE INSURANCE AND TRUST COMPANY. } Quo warranto.

Be it remembered, that heretofore, to wit, on the tenth day of February, A. D. one thousand eight hundred and fifty-eight, the Hon. C. P. Walcott, attorney general of the State of Ohio, filed in the office of the clerk of said supreme court, an information against the said defendant in the words and figures following, to wit:

FRANKLIN, *ss:*

Of December term, in the year one thousand eight hundred and fifty-seven.

Christopher P. Wolcott, attorney general of the State of Ohio, who prosecutes for the State of Ohio in this behalf, in his own proper person, comes here into the supreme court of the same State, at the city of Columbus, in the county of Franklin aforesaid, on the tenth day of February, 1858, in this same term of December, and for the State of Ohio gives the court
708 here to understand and be informed that the Ohio Life Insurance and Trust Company, for the space of six months, now last past, and more, has used and yet doth claim to have and use without any lawful grant,

warrant, or right whatsoever, the liberties, privileges, and franchises following, that is to say:

First. To be a body politic and corporate, with succession in law, fact and name, by the name of the Ohio Life Insurance and Trust Company, and as such to contract and be contracted with, to sue and be sued, plead and be impleaded, answer and be answered unto, and to have and use a common seal.

Second. To make insurance on lives.

Third. To grant and purchase annuities, and to make any other contract involving the interest or use of money and the duration of life.

Fourth. To receive money in trust and to accumulate the same at such rate of interest as may be obtained or agreed upon, or to allow such interest thereon as may be stipulated.

Fifth. To accept and execute trusts of every description, and to acquire, hold, and convey real estate.

Sixth. To act as trustee or guardian of the estate of infants, lunatics, or other persons.

Seventh. To loan money, receive deposits, buy, sell, and discount drafts, bills of exchange, notes, and other written evidence of debt, purchase and sell stocks, bonds, gold and silver coin and bullion, collect and pay over money, and transact all business appertaining to an incorporated bank, except the issuing of bank notes or bills.

Eighth. To establish and maintain an agency in the city of New York, in the State of that name, and at the said city, through and by means of said agency, to loan money, receive deposits, buy, sell, and discount drafts, bills of exchange, notes, and other written evidences of debt, purchase and
709 sell stocks, bonds, gold and silver coin and bullion, collect and pay over money, and transact all business appertaining to an incorporated bank, except the issuing of bank notes or bills.

All which liberties, privileges, and franchises the said Ohio Life Insurance and Trust Company upon the State of Ohio, during all the time aforesaid, has usurped and doth still usurp, to wit, at the city of Cincinnati, in the county of Hamilton, and State aforesaid, to the damage and prejudice of the State of Ohio, and against its dignity. Whereupon the said attorney general of the State of Ohio, who prosecutes in behalf of the same State as aforesaid, prays the consideration of the court here in the premises, and that due process of law may be awarded against the Ohio Life Insurance and Trust Company aforesaid, in this behalf, so that it may be made to answer to the State of Ohio by what warrants it claimeth to have, use, and enjoy the several liberties, privileges, and franchises herein above mentioned.

C. P. WALCOTT, *Attorney General.*

And afterwards, to wit, on the said tenth day of February, one thousand eight hundred and fifty-eight, at a session of said supreme court held on said day, Christopher P. Walcott, attorney general, having this day filed an information in the nature of quo warranto against the Ohio Life Insurance and Trust Company, it is ordered that a writ of summons commanding him to summons the said Ohio Life Insurance and Trust Company to appear forthwith, and that it answer to the said information within thirty days after the service of said summons, do now issue upon the said information directed to the sheriff of Hamilton County and returnable forthwith. There-
710 upon there was issued from our aforesaid clerk's office a writ of summons as follows, to wit:

The State of Ohio, city of Columbus, to the sheriff of Hamilton County, greeting:

We command you to summon the Ohio Life Insurance and Trust Company

to appear before the honorable the supreme court of Ohio, in Columbus, forthwith, and to answer within thirty days after the service hereof, a certain information in the nature of a quo warranto exhibited against the said Ohio Life Insurance and Trust Company by the State of Ohio, on relation of Christopher P. Walcott, attorney general, and have then and there this writ.

Witness John L. Bryan, clerk of our said supreme court, at the city [L. S.] of Columbus aforesaid, this 10th day of February, anno Domini 1858.

JOHN L. BRYAN,
By H. S. MILLER, *Dep'ty.*

And afterwards, to wit, on the 15th day of February, 1858, came the sheriff to whom said summons was directed, and returned the same as follows:

FEBRUARY 12th, 1858.

I have this day served the within-named defendant, the Ohio Life Insurance and Trust Company, by delivering a true and attested copy of the within writ to Charles Stetson, the president of said company, personally.
Sh'ff's fees, 75.

R. MATHERS, *Sheriff*,
By CHARLES SNYDER, *Dep'ty.*

And afterwards, to wit, on the twenty-fifth day of February, A. D. eighteen hundred and fifty-eight, the said defendant, by Worthington & Matthews, its attorneys, filed in our aforesaid clerk's office its pleas, which are in the words and figures following, to wit:

The supreme court of the State of Ohio, at the term of December, A. D. 1857.

THE STATE OF OHIO, *Franklin County, ss:*

I. And now at this day comes the said the Ohio Life Insurance and
711 Trust Company, by her attorneys, and having heard the said information of the State of Ohio upon the relation of the attorney general of the State, who prosecutes for the State in this behalf, read, complains that under color of the premises in the said information contained, she is greatly vexed and disquieted; and that by no means justly, because protesting that the said information, and the matters therein contained, are insufficient in law, and that she need not, nor is obliged by the law of the land to answer thereto; yet for plea in this behalf the said the Ohio Life Insurance and Trust Company says that by a certain public act of the general assembly of the State of Ohio, passed on the twelfth day of February, in the year of our Lord one thousand eight hundred and thirty-four, entitled "An act to incorporate the Ohio Life Insurance and Trust Company," and taking effect upon its passage, it was enacted that from the time of the taking effect of the said act Joseph S. Lake, Jacob Burnet, Micajah T. Williams, Samuel Wiggins, Robert Buchanan, John H. Groesbeck, William S. Hatch, Samuel R. Miller, William Thomas, Jeptha D. Ganard, William Oliver, Vadere Worthington, S. Fosdick, E. S. Haines, Allen Trimble, John Creed, Alfred Kelley, Benjamin Tappen, Samuel F. McCracken, Joseph Vance, James Galloway, jr., Samuel Forrer, David Kilgour, Calvin Pease, Gustavus Swan, Adam Stewart, Robert Fulton, James Findley, L. Goodale, J. Patterson, Cornelius Vanarsdal, Alexander Campbell, David Johnson, Simon Perkins, Heman
712 Ely, and their associates and successors, should be and they were duly constituted and made a body politic and corporate under the name of

the Ohio Life Insurance and Trust Company. And the said the Ohio Life Insurance and Trust Company further say that by force of the said act and the provisions thereof, she still continues to be and is a body politic and corporate in fact and in name, and entitled to do all lawful acts and to enjoy all the rights, privileges, franchises, powers, and immunities allowed to her or conferred upon her by the said act or the laws of the land, by virtue whereof the said the Ohio Life Insurance and Trust Company, for all the time in the said information in that behalf mentioned, hath used and still doth claim to use the rights, liberties, privileges, powers, and franchises following, to wit:

1. To be a body politic and corporate under the name of the Ohio Life Insurance and Trust Company, to be located at the city of Cincinnati, and by that name to have power to contract and to be contracted with, to sue and be sued, plead and be impleaded, answer and be answered unto, in all courts having competent jurisdiction, and to have and use a common seal, and the same to break, alter, and renew at pleasure, and all the powers and privileges necessary to the objects of said incorporation is in said act defined and limited.

2. To make insurance on lives.

3. To grant and purchase annuities.

4. To make any other contracts involving the interest or use of
713 money and the duration of life.

5. To receive money in trust, and to accumulate the same at such rate of interest as may be obtained or agreed on, or to allow such interest thereon as may be agreed on.

6. To accept and execute all such trusts of every description as may be committed to her by any persons whatsoever, or may be transferred to her by order of any court of record whatever.

7. To receive and hold lands, render grants, with general and special covenants, so far as the same may be necessary for the transaction of her business, or where the same may be taken in payment of her debts, or purchased upon sales made under any law of this State, so far as the same may be necessary to protect her rights, and the same to use, convey, and dispose of.

8. To buy and sell drafts and bills of exchange.

9. To act under the appointment of any court of competent jurisdiction as trustee or guardian of any infant, lunatic, or other person, the annual income of whose estate shall exceed the sum of one hundred dollars.

10. To invest the capital stock of the said company, of two millions of dollars, in lands or notes drawing interest not exceeding seven per cent. per annum, secured by unincumbered real estate within the State of Ohio, of at least double the value in each case of the sum so secured, and not more than one fourth of which capital shall be loaned on real estate in any one county.

11. To receive money in deposite, and to invest the premium and profits received by the said company, and money sreceived by her on deposite
714 or on trust in government or other public stocks of the United States, or of any State, or in the stock of any incorporated city, or in such real or personal securities as the trustees of the said company may deem proper, or loan the same to any county, city, incorporated town, or company; but said company shall not hold stock in any one private incorporated company beyond twenty-five thousand dollars.

12. To make rules, by-laws, and regulations proper for the exercise of the powers and privileges vested in said company necessary to the objects of her incorporation as in said act of incorporation defined and limited, subject to such alterations and amendments as the supreme court of the State of Ohio may recommend and enforce, as provided in said act of incorporation, as required by the public good and a just regard to the security of creditors.

13. To keep her books and accounts for the transfer of stock and reception of moneys in trust or on deposite at such places and under such regulations as the board of trustees of said company shall establish, but no alteration to be made in such regulations so established unless by the orders of the said supreme court, made on petition of a majority of the trustees of said company.

14. To exercise all her corporate powers by a board of trustees, and such officers and agents as they may appoint. The said trustees have power to declare, by a by-law, what number of trustees, less than a majority of the whole, shall be a quorum for transacting business. And the said the Ohio Life Insurance and Trust Company hath hitherto claimed and yet doth claim to have, to use, to exercise, and enjoy all the rights, liberties, privileges,
powers, and franchises aforesaid, and the incidents thereto to her be-
715 longing, under and by virtue of the aforesaid act of the general assembly aforesaid, as it is lawful for her to do, and more especially to be a body politic and corporate, with succession in law, fact, and name, by the name of the Ohio Life Insurance and Trust Company, and as such to contract and be contracted with; to sue and be sued; plead and be impleaded; answer and be answered unto; and to have and use a common seal; to make insurance on lives; to grant and purchase annuities; to make any other contract involving the interest or use of money and the duration of life; to secure money in trust, and to accumulate the same at such rate of interest as may be obtained or agreed on, or to be allowed such interest thereon as may be stipulated; to accept and execute trusts of every description, and to acquire, hold, and convey real estate as aforesaid; to act as trustee, or guardian of the estates of infants, lunatics, or other persons as aforesaid; to loan money, receive deposites, buy, sell, and discount drafts, bills of exchange, notes, and other written evidences of debt; to purchase and sell stocks, bonds, gold and silver coin and bullion; collect and pay over money, and transact all business appertaining to banks incorporated for such purposes, except the issuing of bank notes or bills, and to establish and maintain an agency in the city of New York, and through and by means of said agency to loan money, receive deposites, buy, sell, and discount drafts, bills of exchange, notes, and other written evidences of debt; purchase and sell stocks, bonds, gold and silver coin and bullion; collect and pay over money, and
transact all such business as appertains to a bank incorporated for
716 such purposes, except the issuing of bank notes or bills by her, as fully as any individual, where not restrained by statute, under the general rules of law might use, enjoy, make, execute, or accept, and without this, that the said the Ohio Life Insurance and Trust Company, during all or any of the time mentioned in said information, has usurped and doth still usurp the said rights, liberties, privileges, powers, and franchises mentioned in the said information, or any of them, upon the State of Ohio and the government and people thereof, in manner and form as by the said information as above supposed. All which several matters and thereof the said the Ohio Life Insurance and Trust Company is ready to verify as the court shall award. Whereupon she prays judgment, and that the aforesaid rights, liberties, privileges, powers, and franchises by her claimed in manner aforesaid, may be allowed and adjudged to her, the said the Ohio Life Insurance and Trust Company, and that she may be dismissed and discharged by the court here of and from the premises aforesaid, &c.

WORTHINGTON & MATTHEWS, *Att'ys.*

II. And for further plea in this behalf the said the Ohio Life Insurance and Trust Company, by leave of court first had and obtained for that purpose, now also comes by his said attorneys, and having heard said information

read, and without waiving any exceptions thereto, but protesting that the said information and the matters therein contained are insufficient in law, and that she need not nor is she obliged by the law of the land to
717 answer thereto, yet says that by a certain public act of the general assembly of the State of Ohio, passed of the twelfth day of February, A. D. one thousand eight hundred and thirty-four, entitled "An act to incorporate the Ohio Life Insurance and Trust Company," and taking effect upon its passage, it was enacted that from the time of the taking effect of the said act Joseph S. Lake, Jacob Burnet, Micajah T. Williams, Samuel Wiggins, Robert Buchanan, John H. Groesbeck, William S. Hatch, Samuel R. Miller, William Thomas, Jeptha D. Ganard, William Oliver, Vachel Worthington, S. Fosdick, E. S. Haines, Allen Trimble, John Creed, Alfred Kelley, Benjamin Tappan, Samuel F. McCracken, Joseph Vance, James Galloway, Samuel Forrer, Daniel Kilgour, Calvin Pease, Gustavus Swan, Adam Stewart, Robert Fulton, James Findlay, L. Goodale, J. Patterson, Cornelius Vanansdal, Alexander Campbell, David Johnson, Simon Perkins, Heman Ely, and their associates and successors, should be and they were thereby constituted and made a body politic and corporate under the name of the Ohio Life Insurance and Trust Company; and the said the Ohio Life Insurance and Trust Company further say that by force of the said act and the provisions thereof, she has been hitherto since the passage thereof, and still continues to be and is a body politic and corporate in fact and in name, and entitled to do all lawful acts and to enjoy and use all the rights, privileges, franchises, powers, and immunities allowed to her or conferred upon her by the said act or the laws of the land, by virtue whereof the said the Ohio Life Insurance and Trust Company, for all the time in said information, in that behalf men-
718 tioned, as well as for all the time hitherto since said act took effect, and for a period of time more than twenty years prior to the filing of the said information, has used and still doth claim to use the rights, liberties, privileges, powers, and franchises following, to wit:

1st. To be a body politic and corporate under the name of the Ohio Life Insurance and Trust Company, to be located at the city of Cincinnati, and by that name to have power to contract and to be contracted with, to sue and be sued, plead and be impleaded, answer and be answered unto, in all courts having competent jurisdiction, and to have and to use a common seal, and the same to break, alter, or renew at pleasure, and all the powers and privileges necessary to the objects of said incorporation as in said act defined and limited.

2d. To make insurance on lives.

3d. To grant and purchase annuities.

4th. To make any other contracts involving the interest or use of money, and the duration of life.

5th. To receive money in trust and to accumulate the same at such rate of interest as may be obtained or agreed on, or to allow such interest thereon as may be agreed on.

6th. To accept and execute all such trusts of every description as may be committed to her by any person or persons whatsoever, or may be transferred to her by order of any court of record whatever.

7th. To receive and hold lands under grants, with general and special covenants, so far as the same may be necessary for the transaction of her business, or where the same may be taken in payment of her debts, or purchased upon sales made under any law of this State, so far as the same may be necessary to protect her rights, and the same to sell, convey, and dispose of.

8th. To buy and sell drafts and bills of exchange.

719 9th. To act under the appointment of any court of competent juris-

diction as trustee or guardian of any infant, lunatic, or other person the annual income of whose estate shall exceed the sum of one hundred dollars.

10th. To invest the capital stock of said company of two million of dollars in bonds or notes drawing interest not exceeding seven per cent. per annum, secured by unincumbered real estate within the State of Ohio of at least double the value in each case of the sum so secured, and not more than one fourth of which capital shall be loaned on real estate in any one county.

11th. To receive money on deposite and to invest the premium and profits received by the said company and moneys received by her on deposite
720 and in trust on government or other public stocks of the United States or of any State, or in the stock of any incorporated city, or in such real and personal securities as the trustees of the said company may deem proper, or loan the same to any county, city, incorporated town, or company, but said company shall not hold stock in any one private incorporation beyond twenty-five thousand dollars.

12th. To make rules, by-laws, and regulations proper for the exercise of the powers and privileges vested in said company necessary to the objects of her incorporation, as in said act of incorporation defined and limited under the supervision of the supreme court of the State of Ohio and subject to such alterations and amendments as the said court may recommend and enforce as provided in said act of incorporation, as required by the public good and a just regard to the security of creditors.

13th. To keep the books and accounts for the transfer of stock and reception of moneys in trust and on deposite at such places and under such regulations as the board of trustees of said company shall establish, but no alteration to be made in such regulations so established unless by the order of the said supreme court on a petition of a majority of the trustees of the said company.

14th. To exercise all her corporate powers by a board of trustees and such officers and agents as they may appoint under the supervision of the said supreme court. The said trustees have power to declare by a by-law what number of trustees less than a majority of the whole shall be a quorum for transacting business.

721 And the said the Ohio Life Insurance and Trust Company has hitherto for more than twenty years next before the presentation and filing of said information against her, under the supervision of the said supreme court and general assembly of the State of Ohio, as in said act provided, claimed and yet doth claim to have, to use, to exercise, and to enjoy, and in fact has used, exercised, and enjoyed, all the rights, liberties, privileges, powers, and franchises aforesaid, and the incidents thereto to her belonging, under and by virtue of the aforesaid act of the general assembly, as it is lawful for her to do; and more especially to be a body politic and corporate with succession in law, fact, and name, by the name of the Ohio Life Insurance and Trust Company, and as such to contract and be contracted with, to sue and be sued, plead and be impleaded with, answer and be answered unto, and to have and to use a common seal, to make insurance on lives, to grant and purchase annuities, to make any other contract involving the interest or use of money and the duration of life, to receive money in trust, and to accumulate the same at such rate of interest as may be obtained or agreed on, or to allow such interest thereon as may be stipulated, to accept and execute trusts of every description, and to acquire, hold, and convey real estate as aforesaid, to act as trustee or guardian of the estate of infants, lunatics, or other persons as aforesaid, to loan money, receive deposites, buy, sell, and discount drafts, bills of exchange, notes, and other

written evidences of debt, to purchase and sell stocks, bonds gold and silver coin and bullion, collect and pay over money, and transact all
722 business appertaining to banks incorporated for such purposes except the issuing of bank notes or bills, and to establish and maintain an agency in the city of New York, and through and by means of such agency to loan money, receive deposites, buy, sell, and discount drafts, bills of exchange, notes, and other written evidences of debt, purchase and sell stocks, bonds, gold and silver coin and bullion, collect and pay over money, and transact all such business as appertains to a bank incorporated for such purposes, except the issuing of bank notes or bills by her, as fully as any individual when not restrained by statute under the general rules of law might use, enjoy, make, execute, or accept. And the said the Ohio Life Insurance and Trust Company avers that she has used and exercised for a term of more than twenty years prior to the commencement of the said proceedings against her by the said information the aforesaid rights, privileges, powers, and franchises under her charter, the aforesaid act of incorporation, and she pleads said use and exercise of such rights, privileges, powers, liberties, and franchises under the said charter in bar of said information in accordance with the statute in such case made and provided, and without this, that the said the Ohio Life Insurance and Trust Company, during all or any of the time mentioned in said information has usurped and still doth usurp the said rights, liberties, privileges, powers, and franchises mentioned in the said information or any of them upon the State of Ohio and the government and people thereof, in manner and form as by the said infor-
723 mation is above supposed. All which several matters and things the said the Ohio Life Insurance and Trust Company is ready to verify as the court shall award. Whereupon she prays judgment and that the aforesaid rights, liberties, privileges, powers, and franchises by her claimed in manner aforesaid may be allowed and adjudged to her, the said the Ohio Life Insurance and Trust Company, and that she may be dismissed and discharged by the court here of and from the premises aforesaid, &c.

WORTHINGTON & MATTHEWS, *Att'ys.*

III. And for further plea in this behalf the said the Ohio Life Insurance and Trust Company, by leave of court first had and obtained for that purpose, now also comes by her said attorneys, and having heard the said information read, and without waiving any exceptions thereto, but protesting that the said information and the matters therein contained are insufficient in law, and that she need not nor is she obliged by the law of the land to answer thereto, yet says that by a certain public act of the general assembly of the State of Ohio, passed on the twelfth day of February, A. D. one thousand eight hundred and thirty-four, entitled "An act to incorporate the Ohio Life Insurance and Trust Company," and taking effect upon its passage, it was enacted that from the time of the taking effect of the said act Joseph S. Lake, Jacob Burnet, Micajah T. Williams, Samuel Wiggins, Robert Buchanan, John H. Groesbeck, William S. Hatch, Samuel R. Miller, William Thomas, Jeptha D. Ganard, William Oliver, Vachel Worthington, S. Fosdick, E. S. Haines, Allen Trimble, Samuel F. McCracken, Joseph Vance, James Galloway, jr., Samuel Forrer, Daniel Kilgour, Calvin Pease, Gustavus
724 Swan, Adam Stewart, Robert Fulton, James Findlay, L. Goodale, J. Patterson, Cornelius Vanasdal, Alexander Campbel, David Johnson, Simon Perkins, Heman Ely, and their associates and successors, should be and they were thereby constituted a body politic and corporate under the name of the Ohio Life Insurance and Trust Company. And the said the Ohio Life Insurance and Trust Company further says that by force of the said act and the provisions thereof, she has been hitherto since the

passage thereof and still continues to be and is a body politic and corporate in fact and in name, and entitled to do all lawful acts and to enjoy and use all the rights, privileges, franchises, powers, and immunities allowed to her or conferred upon her by the said act or the laws of the land, by virtue whereof the said the Ohio Life Insurance and Trust Company for all the time in said information in that behalf mentioned, as well as for all the time hitherto since said act took effect, and for a period of time more than five years prior to the filing of the said information, has used and exercised, and still doth claim to use and exercise, the rights, liberties, privileges, powers, and franchises following, to wit:

1. To be a body politic and corporate, under the name of the Ohio Life Insurance and Trust Company, to be located at the city of Cincinnati, and by that name to have power to contract and be contracted with, to sue and be sued, plead and be impleaded, answer and be answered unto, in all courts having competent jurisdiction, and to have and to use a common seal, and the same to break, alter, and renew at pleasure, and all the powers
725 and privileges necessary to the objects of said corporation, as in said act defined and limited.

2. To make insurance on lives.

3. To grant and purchase annuities.

4. To make any other contracts involving the interest and use of money, and the duration of life.

5. To receive money in trust, and to accumulate the same at such rate of interest as may be obtained or agreed on, or to allow such interest thereon as may be agreed on.

6. To accept and execute all such trusts of every description as may be committed to her by any person or persons whatsoever, as may be transferred to her by orders of any court of record whatever.

7. To receive and hold lands under grants, with general and special covenants, so far as the same may be necessary for the transaction of her business, or where the same may be taken in payment of her debts, or purchased upon sales made under any law of this State, so far as the same may be necessary to protect her rights, and the same to sell, convey, and dispose of.

8. To buy and sell drafts and bills of exchange.

9. To act under the appointment of any court of competent jurisdiction, as trustee or guardian of any infant, lunatic, or other person, the annual income of whose estate shall exceed the sum of one hundred dollars.

10. To invest the capital stock of the said company, of two millions of dollars in bonds or notes, drawing interest not exceeding seven per cent. per annum, secured by unincumbered real estate within the State of Ohio of at least double the value in each case of the sum so secured, and not more than one fourth of which capital shall be loaned on real estate in any one county.

11. To receive money on deposite, and to invest the premium and
726 profits received by the said company, and moneys received by her on deposite or in trust in government or other public stocks of the United States, or of any State, or on the stock of any incorporated city, or in such real and personal securities as the trustees of the said company may deem proper, or loan the same to any county, city, incorporated town or company, but said company shall not hold stock in any one private incorporation beyond twenty-five thousand dollars.

12. To make rules, by-laws, and regulations proper for the exercise of the powers and privileges vested in said company necessary to the objects of her incorporation, as in said act of incorporation defined and limited under the supervision of the supreme court of Ohio, and subject to such alterations and amendments as the said court may recommend, and enforce as provided

in said act of incorporation, as required by the public good, and a just regard to the security of creditors.

13. To keep the books and accounts for the transfer of stock, and reception of moneys in trust or on deposite, at such places and within such regulations as the board of trustees of said company shall establish, but no alterations to be made in such regulations so established, unless by the order of the supreme court, made on petition of a majority of the trustees of the said company.

14. To exercise all her corporate powers by a board of trustees, and such officers and agents as they may appoint under the supervision of the said supreme court, as in said act of incorporation set forth. The said trustees, have power to declare by a by-law what number of trustees less than
727 a majority of the whole shall be a quorum for transacting business.

And the said the Ohio Life Insurance and Trust Company further says that the said the Ohio Life Insurance and Trust Company has hitherto, under the supervision of the said supreme court and general assembly as aforesaid, claimed, and yet doth claim, to have, to use, to exercise, and to enjoy, and in fact has used, exercised, and enjoyed, more than five years before the commencement of the proceedings under said information, all the rights, liberties, privileges, powers, and franchises aforesaid, and the incidents thereto belonging, under and by virtue of the aforesaid act of the said general assembly, as it was lawful for her to do, and more especially to be a body politic and corporate with successors in law, fact, and name by the name of the Ohio Life Insurance and Trust Company, and as such to contract and to be contracted with, to sue and be sued, plead and to implead, answer and be answered unto, to have and to use a common seal, to make insurance on lives, to grant and purchase annuities, to make any other contract involving the interest or use of money, and the duration of life, to receive money in trust, and to accumulate the same at such rate of interest as may be obtained or agreed on, or to allow such interest thereon as may be stipulated, to accept and execute trusts of every description, and to acquire, hold and convey real estate as aforesaid, to act as trustees, or guardian of the estates of infants, lunatics, other persons as aforesaid, to loan money, receive deposites, buy, sell, and discount drafts, bills of exchange, notes, and other written evidences of debt, to purchase and sell stocks, bonds,
728 gold and silver coin and bullion, collect and pay over money, and transact all business appertaining to banks incorporated for such purposes, except the issuing of bank notes, and bills, and to establish and maintain in the city of New York, and through and by means of such agency to loan money, receive deposites, buy, sell, and discount drafts, bills of exchange, notes, and other written evidences of debt, purchase and sell stocks, bonds, gold and silver coin and bullion, collect and pay over money, and transact all such business as appertains to bank incorporated for such purposes, except the issuing of bank notes or bills by her, as fully as any individual when not restrained by statute under the general rules of law might use, enjoy, make, execute, or accept. And the said the Ohio Life Insurance and Trust Company avers that she used, exercised, and enjoyed the aforesaid rights, privileges, powers, liberties, and franchises, under her charter, the aforesaid act of incorporation, more than five years before the filing of the said information against her. And so she in fact says that the said proceedings by the said information against her was not commenced within five years from the time of the beginning of the exercise of the said powers in the said information mentioned as the causes of ouster against her, and she pleads the same under the statute in such case made and provided against, and in bar of said action against her, and without this, that the said the Ohio Life Insurance and Trust Company, during all or any of the time mentioned

in said information, has usurped, and still doth usurp, the said rights,
729 privileges, liberties, powers, and franchises mentioned in the said information or any of them upon the State of Ohio, and the government and people thereof, in manner and form as by the said information is supposed above. All which several matters and things the said the Ohio Life Insurance and Trust Company is ready to verify as the court may award. Whereupon she prays judgment, and that the aforesaid rights, liberties, and privileges, powers, and franchises by her claimed in manner aforesaid, may be allowed and adjudged to her, the said the Ohio Life Insurance and Trust Company, and that she may be dismissed and discharged by the court here of and from the premises aforesaid.

WORTHINGTON & MATTHEWS, *Att'ys.*

IV. And for a further plea in this behalf the said the Ohio Life Insurance and Trust Company, by leave of court first had and obtained for that purpose, now also comes by her said attorneys, and having heard the said information read, and without waiving any exception thereto, but protesting that the said information and the matters therein contained are insufficient in law, and that she need not nor is she obliged by the law of the land to answer thereto, yet says that by a certain public act of the general assembly of the State of Ohio, passed on the twelfth day of February, A. D. one thousand eight hundred and thirty-four, entitled "An act to incorporate the Ohio Life Life Insurance and Trust Company," and taking effect from its passage, it was enacted that from the time of the taking effect of the said act
730 Joseph S. Lake, Jacob Burnet, Micajah T. Williams, Samuel Wiggins, Robert Buchanan, John H. Groesbeck, William S. Hatch, Samuel R. Miller, William Thomas, Jeptha D. Ganard, William Oliver, Vachel Worthington, S. Fosdick, E. S. Haines, Allen Fimble, Samuel F. McCracker, Joseph Vance, James Galloway, jr., Samuel Forrer, Daniel Kilgour, Calvin Pease, Gustavus Swan, Adam Stewart, Robert Fulton, James Findlay, L. Goodale, J. Patterson, Cornelius Vanansdal, Alexander Campbell, David Johnson, Simon Perkins, Heman Ely, their associates and successors, should be, and they were thereby, constituted and made a body politic and corporate, under the name of the Ohio Life Insurance and Trust Company, and that the said the Ohio Life Insurance and Trust Company further says that by force of the said act and the provisions thereof she has been hitherto since the passage thereof, and still continues to be, and is, a body politic and corporate in fact and in name, and entitled to do all lawful acts, and to enjoy and use all the rights, privileges, franchises, powers, and immunities allowed to her or conferred upon her by the said act or the laws of the land, by virtue whereof the said the Ohio Life Insurance and Trust Company, for all the time in said information in that behalf mentioned, as well as for all the time hitherto since said act took effect, has used and exercised, and still doth claim to use and exercise, the rights, liberties, privileges, powers, and franchises, following, to wit:

1. To be a body politic and corporate under the name of the Ohio Life Insurance and Trust Company, to be located at the city of Cincinnati,
731 and by that name to have power to contract and be contracted with, to sue and be sued, plead and be impleaded, answer and be answered unto in all courts having competent jurisdiction, and to have and use a common seal, and the same to break, alter, and renew at pleasure, and all the powers and privileges necessary to the objects of said corporation as in said act defined and limited.
2. To make insurance on lives.
3. To grant and purchase annuities.

4. To make any other contract involving the interest or use of money and the duration of life.

5. To receive money in trust and to accumulate the same at such rate of interest thereon as may be agreed on.

6 To accept and execute all such trusts of every description as may be committed to her by any person or persons whatsoever, or may be transferred to her by order of any court of record whatever.

7. To receive and hold lands under grants, with general and special covenants, so far as the same may be necessary for the transaction of her business, or where the same may be taken in payment of her debts or purchased upon sales made under any law of this State, so far as the same may be necessary to protect her rights, and the same to sell, convey, and dispose of.

8. To buy and sell drafts and bills of exchange.

9. To act under the appointment of any court of competent jurisdiction as trustee or guardian of any infant, lunatic, or other person the annual income of whose estate shall exceed the sum of one hundred dollars.

10. To invest the capital stock of the said company of two millions of dollars in bonds or notes drawing interest not exceeding seven per cent.
732 per annum, secured by unincumbered real estate within the State of Ohio of at least double the value in such case of the sum so secured, and not more than one fourth of which capital should be loaned on real estate in any one county.

11. To receive money on deposite, and to invest the premium and profits received by the said company and moneys received by her on deposite and in trust in government or other public stocks of the United States or of any State, or in the stocks of any incorporated city, or in such real and personal securities as the trustees of the said company may deem proper, or loan the same to any county, city, incorporated town or company, but said company shall not hold stock in any one private incorporation beyond twenty-five thousand dollars.

12. To make rules, by-laws, and regulations proper for the exercise of the powers and privileges vested in said company necessary to the objects of her incorporation as in said act of incorporation defined and limited under the supervision of the supreme court of the State of Ohio, and subject to such alterations and amendments as the said court may recommend and enforce, as provided in said act of incorporation, as required by the public good and a just regard to the security of creditors. And if any regulation or by-law so proposed to be altered or amended or any act or proceeding of said company shall be decided by said court to be a violation of any of the conditions of the said act and not corrected in a reasonable time upon the recommendation of said court, then the said court shall issue a *scere facias*
733 against said company to show cause why its charter should not be adjudged forfeited, but judgment thereon against her shall in no case vacate her charter upon its rendition, but said court, as a court of chancery, shall thereupon order and decree that the said company, under the direction of said court, shall proceed to dispose of its effects, pay its debts, and distribute the surplus in due proportion among her stockholders; and upon final settlement of her concerns, the said court may grant a perpetual injunction against the transaction of any future business of said company.

13. To keep the books and accounts for the transfer of stock and reception of moneys in trust and on deposite at such places and under such regulations as the board of trustees of said company shall establish, but no alteration to be made in such regulations so established, unless by the order of the said supreme court, made on petition by a majority of the trustees of the said company.

14. To exercise all her corporate powers by a board of trustees and such

officers and agents as they may appoint under the supervision of the said supreme court, and also the general assembly, who, by said act of incorporation reserves the power at all times to appoint a committee from its own body to examine the condition and state of said body politic and corporate, to inspect the books and minutes of the proceedings of the board of trustees, to ascertain the amount of gold and silver and bills on hand, the amount of deposits therein of notes or bills in circulation, an exact list of balances due to and from said body politic and corporate and all other officers of
734 the same, and make report thereon at such time as instructed and directed. Said trustees have power to declare by a by-law what number of trustees less than a majority of the whole shall be a quorum for transacting business.

And the said the Ohio Life Insurance and Trust Company further say that the said the Ohio Life Insurance and Trust Company has hitherto, under the supervision of the said supreme court and general assembly as aforesaid, claimed and yet doth claim to have, to use, to exercise, and to enjoy, and in fact has had, used, exercised, and enjoyed hitherto, under said act of incorporation, all the rights, liberties, privileges, powers, and franchises aforesaid and the incidents thereto, to her belonging, as it was lawful for her to do, and more especially to be a body politic and corporate, with succession in law, fact, and name, by the name of the Ohio Life Insurance and Trust Company, and as such to contract and be contracted with, to sue and be sued, plead and be impleaded, answer and be answered unto, to have and use a common seal, to make insurance on lives, to grant and purchase annuities, to make any other contract involving the interest or use of money and the duration of life, to receive money in trust, and to accumulate the same at such rate of interest as may be obtained or agreed on, or to allow such interest thereon as may be stipulated, to accept and execute trusts of every description, and to acquire, hold, and convey real estate as aforesaid, to act as trustee or guardian of the estates of infants, lunatics, or other persons as aforesaid, to loan money, receive deposits, buy, sell, and discount drafts, bills of exchange, notes, and other written evidences
735 of debt, to purchase and sell stocks, bonds, gold and silver coin and bullion, collect and pay over money, and transact all business appertaining to banks incorporated for such purposes, except the issuing of bank notes or bills, to establish and maintain in the city of New York and through and by means of such agency to loan money, receive deposits, buy, sell, and discount drafts, bills of exchange, notes, and other written evidences of debt, purchase and sell stock, bonds, gold and silver coin and bullion, collect and pay over money, and transact all such business as appertains to a bank incorporated for such purposes, except the issuing of bank notes or bills, by her, as fully as any individual when not restrained by statute under the general rules of law might use, enjoy, make, execute, or accept.

And the said the Ohio Life Insurance and Trust Company further say that in the lawful exercise of the said rights, privileges, liberties, and franchises, under the said charter she heretofore, to wit, on the 21st day of November, 1834, adopted her by-laws, rules, and regulations in relation to her business in all its departments under her said charter, and thereby, among other things, ordered and provided for an office of business to be kept in the city of New York, in the State of that name, at such place as the board of trustees from time to time might appoint. And afterwards, to wit, on the 22d day of November, 1834, appointed the Phœnix Bank, in the said city, and said bank to be the agent of the said company in said city at said office.

And afterwards, to wit, on the 13th day of November, 1838, the
736 office of the said company in the city of New York was removed from the Phœnix Bank to No. 62 William Street, and Joshua N. Perkins,

cashier of said company, was appointed agent thereof, and so since hitherto said agency has been kept up in said city of New York for the transaction of the business of the company in that city through and by the cashier of the company for the time being; and among her customers in the sale of stocks to her and to her officers at said New York office has been the State of Ohio, as well as a depositor and borrower of moneys, purchaser of gold and silver coin, and transactor of her business in said city, as might properly be done through and by said agency.

And the said the Ohio Life Insurance and Trust Company further says that heretofore, to wit, on the 7th day of December, 1835, the said supreme court, under the provisions of said charter, made an order upon said company to report yearly to said court as in said order set forth. And afterwards, to wit, on the 24th day of December, 1835, the said company made her first report under said order, and among other things reported her by-laws, rules, and regulations adopted as aforesaid, and so from year to year under said order. Said reports, stating fully the affairs, condition, and business of said company in all respects, as required by said orders, have been made, and from year to year, by said court, have been reported to judicious masters appointed by said court, *sua sponte*, among others Henry Stanberry, P. B. Wilcox, John W. Andrews, Charles B. Goddard, Ebenezer Lane, Reuben Wood, Peter Hitchcock, Matthew Burchard, Thomas L. Jewett, to verify the same; and said masters, after due examination, have reported thereon
737 from year to year to said court, as will fully appear from the said orders, reports of said company and masters, now on file in said court, and hitherto all the rules, by-laws, regulations, acts, and proceedings of the said company have been corrected on and made to conform to the proper recommendations and orders of the said supreme court, and, in fact, the management of the affairs of said company has been ratified and confirmed by said court upon the reports of the said masters, and in all things the said the Ohio Life Insurance and Trust Company has used and exercised at all times hitherto under the sanction and authority of said court, as she might lawfully do, all said rights, powers, and franchises under her charter, the said act of incorporation; and so she in fact says that the said proceedings, by the said information against her, is unauthorized and against her contract rights as secured by her said charter; and she therefore sets up and pleads the matters aforesaid, now under the provisions of her said charter, as well as the provisions of her said charter in this behalf in bar of said actions or information against her, and without this, that the said the Ohio Life Insurance and Trust Company, during all or any of the time mentioned in said information, has usurped and still doth usurp the said rights, privileges, liberties, powers, and franchises mentioned in said information, or any of them, upon the State of Ohio and the government and people thereof, in manner and form as by the said information is supposed above.

All which several matters and things the said the Ohio Life Insurance
738 and Trust Company is ready to verify as the court may award. Whereupon she prays judgment, and that the aforesaid rights, liberties, privileges, powers, and franchises, by her claimed in manner aforesaid, may be allowed and adjudged to her, the said the Ohio Life Insurance and Trust Company, and that she may be dismissed and discharged by the court here of and from the premises aforesaid, &c.

WORTHINGTON & MATTHEWS, *Att'ys.*

And afterwards, to wit, on the eighteenth day of December, A. D. eighteen hundred and fifty-eight, the said plaintiff by the attorney general filed in our aforesaid clerk's office a replication to the foregoing pleas, which reads in the words and figures following, to wit:

Replication.

And the said Christopher P. Wolcott, attorney general of the State of Ohio, who for the said State prosecuted in this behalf as aforesaid, being now present in court here, and having heard the said pleas of the said the Ohio Life Insurance and Trust Company, by it in manner and form above pleaded in bar for the said State of Ohio, saith that the said State ought not to be precluded from having its aforesaid information against the said the Ohio Life Insurance and Trust Company by reason of anything in any of the said pleas alleged, because, he says, that after the passage of the act of incorporation in the said pleas respectively mentioned, and while the said the Ohio Life Insurance and Trust Company were so, as in said pleas alleged, using, exercising, and enjoying the liberties, franchises, and privileges therein, and in the said information mentioned and within one year next preceding the presentation and filing the aforesaid information, that
739 is to say, on the first day of October, 1857, certain, to wit, ten circulating notes, commonly called bank notes, of which certain, to wit, two were of the denomination of five dollars each; and certain, to wit, two others were of the denomination of ten dollars each; and certain, to wit, two others were of the denomination of twenty dollars each; and certain, to wit, two others were of the denomination of fifty dollars each; and certain, to wit, two others were of the denomination of one hundred dollars each, theretofore and before the first day of January, 1843, duly issued by the said the Ohio Life Insurance and Trust Company under the said act of incorporation, and by which said notes it promised to pay to the bearer thereof on demand at its banking-house, in the said city of Cincinnati, the sums of money therein respectively mentioned, were presented by the lawful holder and bearer thereof, at the banking-house of the said the Ohio Life Insurance and Trust Company, at the said city of Cincinnati, during the regular hours of business of the day and year last aforesaid, and payment of the same in gold or silver coin, lawful money of the United States, was then and there demanded by the said holder of the said circulating notes, but the said the Ohio Life Insurance and Trust Company then and there neglected and refused to pay the said circulating notes so issued by it and so presented as aforesaid, in silver or gold coin, lawful money of the United States, and did for more than thirty days next after the day and year last aforesaid continue to neglect and refuse payment in gold and silver coin, lawful money of the United States, of the said circulating notes, though the same were again and at the expiration of thirty days next after the said first presenta-
740 tion for payment and refusal to pay as aforesaid, to wit, on the first day of November, 1857, during the regulars hours of business again presented at the said banking-house by said owner and holder thereof, and payment of the same by him again then and there duly demanded; and this the said attorney general, who prosecuted as aforesaid for the said the State of Ohio, is ready to verify. Wherefore he prays judgment, and that the said the Ohio Life Insurance and Trust Company may be convicted of the premises above charged upon it, and may be forejudged and excluded from the liberties, privileges, and franchises aforesaid, which, ever since the day and year last above mentioned, it hath, so as aforesaid, usurped upon the said State of Ohio.

C. P. WOLCOTT, *Att'y Gen'l.*

And afterwards, to wit, at a session of said supreme court held on the eighteenth day of December, A. D. eighteen hundred and fifty-eight, came Christopher P. Wolcott, attorney general, who prosecutes for the State in this behalf, and on his motion it is ordered that the said the Ohio Life In-

surance and Trust Company do answer the said replication of the said attorney general on behalf of the said State herein, within five days from the present (17th day of December, 1858) or be considered in default.

And afterwards, to wit, on the first day of January, A. D. eighteen hundred and fifty-nine, the said defendant, by her aforesaid attorneys, filed in our aforesaid clerk's office a demurrer to the foregoing replication, which reads in the words and figures following, to wit:

Demurrer.

Supreme court of Ohio.

741 THE STATE OF OHIO, ON THE RELATION OF THE Attorney General, *vs.* THE OHIO LIFE INSURANCE AND TRUST COMPANY. } Information in nature of quo warranto.

And the said the Ohio Life Insurance and Trust Company says that the replication of the State of Ohio to the pleas by said company herein pleaded is sufficient in law. Wherefore said company doth demur to said replication, and prays judgment, &c.

By WORTHINGTON & MATTHEWS, *its Attorneys.*

And afterwards, to wit, on the third day of January, A. D. eighteen hundred and fifty-nine, came the said plaintiff by her attorney and filed in our aforesaid clerk's office a joinder in demurrer, in the words and figures following, to wit:

Joinder.

Supreme court of Ohio.

THE STATE OF OHIO, ON THE RELATION OF THE ATTORNEY GENERAL, *vs.* THE OHIO LIFE INSURANCE AND TRUST COMPANY. } Information in nature of quo warranto.

And the said State of Ohio, on the relation of the attorney general, says that the said replication is sufficient in law and that the said State is ready to verify the same. Wherefore the said State of Ohio prays judgment, &c.

C. P. WOLCOTT, *Att'y General.*

Judg't.

And now, that is to say, at the term of December, in the year 1859, came as well Christopher P. Wolcott, attorney general as aforesaid, who, for the State of Ohio in this behalf prosecuteth, as the said the Ohio Life Insurance and Trust Company, by its attorneys. Whereupon all and singular the premises being seen and understood by the court here, it is considered and adjudged that the said replication and the matters therein contained in manner and form as the same are above pleaded and set forth, are sufficient in law. Wherefore the State of Ohio remaineth against the said the
742 Ohio Life Insurance and Trust Company without any defence in this behalf. It is therefore further considered and adjudged by the court that the said the Ohio Life Insurance and Trust Company be dissolved and absolutely ousted, forejudged, and excluded of and from all and singular the liberties, privileges, and franchises in the said information, pleas, and replication mentioned, and that the State of Ohio recover its costs by it in this behalf expended.

THE STATE OF OHIO, *Franklin County, ss:*

I, T. S. Shepard, clerk of the supreme court of the State of Ohio, do hereby certify that the foregoing is truly taken and correctly copied from the complete record in said case now in my office.

[SEAL.] Witness my hand and the seal of said court, at Columbus, this 18th day of May, A. D. 1863.

T. S. SHEPARD, *Clerk, &c.*

743 Bell & Grant in account with J. P. Kilbreth, C. Reemelin, trustees of Ohio Life Ins. and Trust Co., as appears from their books in part.

1859. Nov. 1.	Amount to credit of Bell & Grant.....		$254, 792 44	
	Sundry payments to B. & G....	$22, 493 42		
	W. S. Wilson, assignee of sterling bills of exchange, by J. S. Garner on W. & H. Brandt, London.....	26, 000 00		
			48, 493 42	
	For the balance of.....			206, 299 02

The trustees issued a certificate, and on the 1st of Nov., 1859, paid thereon the first dividend of 10 per cent. $20, 629 94. During the year 1860 there was also paid 2d div'd of 10 per cent., 20, 629 90.

E. E.

S. P. BISHOP.

Car., M'y 22, 1863.

744 *Report of the master commissioner in the matter of the Ohio Life Insurance and Trust Company.*

To the judges of the supreme court for the State of Ohio:

In conformity to the order of reference, made at the session, in bank, of December, eighteen hundred and thirty-five, I, Henry Stanbery, special master commissioner, do report that I proceeded, in the month of January, eighteen hundred and thirty-six, to the office of the said company at Cincinnati, and entered on the performance of my duties.

A preliminary view of the charter of this company is necessary to a correct understanding of its operations. Its leading features may be classed under its capital, its trust powers, its operations in life insurance, and its banking privileges.

1. The capital is $2,000,000, divided into shares of $100; the whole to be invested in bonds or notes drawing interest not exceeding seven per cent. per annum, secured by unincumbered real estate within the State of
745 Ohio of at least double the value in each investment, and not more than $500,000 thereof can be loaned in any one county. This capital was to be all subscribed, and $500,000 to be actually paid in, before the operations of the company could begin, and the remainder became payable in eighteen months after the subscriptions. Only the profits arising from the capital can be touched or changed to any other mode of investment. This fund so secured is not in any manner connected with the other operations of the company, except as the ultimate fund to satisfy liabilities.

2 *Its operations in contracts involving the duration of life.*—Under these are included the power to make insurance on lives, to grant and purchase annuities and endowments. The provisions of the charter in reference to the

exercise of these powers are very general, and leave the entire details to be fixed by the company.

3. *The trust powers.*—These arise from trusts created by persons or by courts, and may have respect to the interest of money or the performance of duties. The most simple and at the same time the most extensive of these trusts is that of receiving money to be accumulated at such rate of interest as may be obtained or agreed on, and to allow such interest thereon as may be agreed on. Money so received the company may invest in government or other public stocks of the United States, or of any State, or in the stock of any incorporated city, or in such real or personal securities as they may deem proper, or loan the same to any county, city, incorporated town or company, with no other restriction than that of not receiving above 7 per cent. interest and of holding no more stock in any one private incorporated company than $25,000. This form of trust is nothing other than the relation which exists between the owner of money and the borrower. The trust, or the contract which devolves on the company, is to pay a given rate of interest and finally the principal. The company has the power to borrow money at one rate of interest and to lend it at another rate. The lender gets his interest, and the profit or loss of subsequent investment is with the company. That charter gives no limit to the amount which may be operated upon, nor to the time or rate of interest for which the company may receive the money, nor to the time for which they may invest or lend it out.

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The power is also granted of accepting and executing all trusts of any description which may be committed to the company by any person or which may be transferred to it by the order of any court. This clause of the charter opens a field as wide as the various and complicated character of trusts. Certain trusts are afterwards enumerated, such as guardianship of estates of infants, lunatics, or other persons, the annual income of whose estates shall exceed the sum of $100, in which the power is granted to the court having jurisdiction to appoint the company guardian or trustee of the estate, but not of the person; and it would seem from the proviso of the third section that the company might act as administrator. On sums of $100 or over, received by the company as trustee, guardian, or receiver, it shall allow interest at the rate of 4 per cent. per annum, and when the income of its wards shall exceed the amount necessary to their support the surplus shall be accumulated and compounded at an annual interest of not less than 4 per cent. No bond is to be required of the company as trustee, guardian, or receiver, but all the trust moneys so invested shall be at the risk of the company, and its capital and effects are made liable for all losses, and when these are insufficient the board of directors are made responsible to the same extent as trustees generally are.

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4. *The banking powers.*—These are limited in duration to the year 1843, and confer the power to issue bills or notes to any amount not exceeding twice the amount of funds deposited with the company, for a time not less than one year, other than capital; but not to have in circulation an amount greater than one half the capital actually paid in and invested in bonds or notes secured by an unincumbered real estate, nor a greater amount than twice the amount of deposits for the time being, and to lend the same on notes or obligations or such other securities as the trustees may require, at a rate of interest not exceeding 6 per cent. per annum. The power to buy and sell drafts and bills of exchange is also specifically granted.

749

This feature of the charter (that is, the banking power) is entirely distinct from all the others in its nature, but has an intimate relation to them in its extent. The amount of the issues of notes must have relation to the

funds deposited in trust with the company for a year and upwards, and cannot exceed twice their amount.

The notes in circulation at any one time shall not exceed half the capital nor twice the whole deposits for the time being; in other words, the circulation shall never exceed $1,000,000, nor reach that point, unless the whole deposits amount to $500,000.

The limitation of the issues is, in fact, no limitation; they are not to exceed twice the amount of deposits for a year and upwards. The standard is wholly indefinite. The amount of deposits for one year and up-
750 wards may be great or small. The company are allowed to receive deposits of that kind indefinitely and to issue notes to twice the amount they may receive. There is no point beyond which the deposits may not go, consequently none beyond which the issues may not go. But the actual and certain limitation upon the issues is contained in the clause which restrains the circulation. There a definite maximum is fixed—$1,000,000, or half the capital; the indefinite power to issue is circumscribed and rendered comparatively innocuous by this restriction on the circulation.

There are other very strong guards upon this power. A suspension of specie payment for more than thirty days works a forfeiture of the charter, and all bills or notes which shall not be paid on presentment shall bear interest at the rate of twelve per cent. per annum.

From this analysis of the rights and powers conferred by this charter, it will be seen that $2,000,000 of actual capital is to be invested in real
751 estate, insurance on life effected, money received and loaned out upon interest, trusts executed, and $1,000,000 of paper to be added to the circulating medium.

The liabilities which the company may incur in the exercise of these powers are either to the public generally, on account of the $1,000,000 in circulation, or to the individuals standing in the relation to them of their assured, their depositors, or their *cestui que* trusts. The means of meeting these liabilities are, the equivalents received for the notes put in circulation; the moneys received for deposits and premiums or their equivalents, and chiefly the $2,000,000 of actual capital invested, to all which is superadded the personal responsibility of the trustees for all losses which the capital is not sufficient to satisfy, to the same extent that other trustees, having no corporate character, are made liable.

The machinery designated by the charter, through which these various powers are to be carried on, consist of an office in Cincinnati, a board
752 of trustees, and such officers as they may appoint, there located, and an agency in each judicial circuit in the State. The number of trusteks is to be twenty, all to be stockholders to the amount of at least $5,000 each, citizens of the United States, and three fourths, at least, citizens of Ohio. They are distributed into five equal classes, so that the term of service of four trustees will expire at the end of every term of two years; consequently, after the expiration of the first set of classes, the term of service of each trustee will be ten years. The right of electing the first board of trustees, and of supplying all vacancies occasioned by the expiration of the term of service is with the stockholders, who have one vote for each share of stock. The right of filling vacancies arising in any other way is with the trustees themselves.

Connected with the administration of these corporate powers is the constant supervision given to the supreme court of Ohio over all the pro-
753 ceedings of the trustees, the annual visitatorial power to be delegated by the court to its commissioners, and the power of removing a trustee for misdemeanor in office.

The trustees are bound to exhibit annually to the court, at an appointed day, a full statement of their affairs, verified as the court may require. This report the court may refer to a master commissioner, who is authorized to make a thorough investigation into the affairs and management of the company and to make report to the court, one copy of which must be deposited in the office of the auditor of state, and for further public information the report may be published if the court should so direct. Upon the coming in of this report, the court may recommend to the trustees any alterations in their by-laws and regulations which the public good may require; and if in any act or thing the court shall deem the charter to be violated, and it shall not, on their recommendation, be within a reasonable time corrected, they may direct a *scire facias* against the corporation to show cause why its charter should not be forfeited, and if judgment is had against
754 the corporation, the court, in the exercise of its chancery powers, shall direct a settlement of the affairs of the corporation, and perpetually enjoin its further proceedings.

These powers of removal, supervision, visitation, and equity cognizance grow out of the trust powers of this corporation, but are not limited to them. The pervade and regulate every other power, even that of banking. The charter itself is in effect a great trust, and it has consequently all the guards and restrictions about it which experience can dictate to secure its faithful observance.

Having taken this general view of the powers and machinery of this corporation, it is further necessary to a correct understanding of its operations to consider the system under which they have been distributed and carried into execution. The establishment of this system devolved upon the trustees, and is to be found in the by-laws, standing rules, regulations, and the orders from time to time entered upon the journal of their proceed-
755 ings. The first and natural arrangement of this system was the division into two departments of the distinctive powers. Those relating to the investment and reinvestment of the capital, the insurance on life, the receiving, accepting, and executing trusts, the loaning of the funds, other than capital received on deposit in trust, in real estate securities, or on pledge of stocks, certificates of deposit, or other public securities, and the management of the real estate were to belong to the insurance and trust department. Those relating to the banking powers and the dealing in exchange were to appertain to the banking department. The insurance and trust department is placed under the immediate superintendence of three committees, each consisting of three trustees and the president, denominated the committee of finance and the committee of trusts. I shall follow the management of the affairs of the company through these subdivisions, as affording the clearest order for the investigation and the best means of forming an opinion as to the character of its multifarious operations and of testing the correctness of the statement which has been made to the
756 court.

I. *As to the committee of investments and its operations.*—This committee has the direction of the investment and reinvestment of the capital and other funds which may be set apart by the order of the board of trustees for investment in real estate securities. Auxiliary to the performance of these duties by the committee, are the agents appointed in each judicial circuit, the secretary of the company, and the solicitor. The first subject-matter submitted to this committee is the application. This is made by the agent, and must show 1, the name and residence of the applicant; 2, the description of the estate proposed as security; 3, its supposed value; and 4, the character of the applicant for integrity and punctuality, the probability of repayment without legal proceedings, and the recommen-

dation of the agent that the proposed loan is safe and proper. If the application is not satisfactory as to value and character, it is declined by letter to the agent, without any statement of the reasons of the refusal. If
757 the application is in all respects satisfactory, it is referred back to the agent for a detailed report as to the title and value. This is made in what is called the abstract. The abstract must show an unincumbered fee simple estate, deduced from the source of title to the applicant. Each link in the chain of title must appear in progressive numbers, by a condensed statement of the material parts of the title papers, which are considered to be the date, consideration, description, estate passed, covenants, mode and place of execution, attestation, acknowledgment, and record. Whatever defects occur in the title are noted by the agent, under a distinct head, referring to the number of the title paper wherein the defect exists. The abstract must also contain a head under which incumbrances that have at any time rested upon the property are exhibited.

In respect to incumbrances by judgment or decree, an entry of satisfaction must appear. Incumbrances by mortgage are also considered as extinguished by an entry of payment on the record. Inasmuch as that
758 extinguishes the debt, the outstanding legal title which, without a release, is technically in the mortgagee, is not considered an incumbrance, and as the mortgagor is also seized of a legal estate, the loan to him after the payment of the mortgage is in fact a loan upon a legal title in unincumbered real estate. Dower expectancies are not considered to be incumbrances, but only possibilities.

Whenever it is practicable to obtain a release of this expectancy, it is required; where it is not practicable, the value of the property is so far reduced below the usual proportion of value to loan as to provide for the possibility of the survivorship of the wife.

Where the title is derived through heirs, it is required that the estate should have been settled. The company have considered the estate so vested as unincumbered. It may be remarked in reference to this State, of title, that by our present statutory provisions there is a continuing lien upon the lands for five years after the decease of the ancestor in favor of such debts as are not embraced in the settlement. To constitute this lien a debt
759 must exist. When such is known to be the fact the company consider it an incumbrance, and require its discharge.

Where a connected paper title cannot be shown, and it satisfactorily appears that the title of the applicant is perfect by the operation of the statute of limitations, it is considered a legal title. In this class of cases the committee of investments require to be satisfied of the existence of all the facts which would be necessary to make out a good possessory title in a court of law. It must appear that there has been a continued actual adverse possession for twenty-one years, and that the operation of the statute has not been interrupted by any of the specified disabilities.

As to value.—The charter (sec. 7,) requires the estate pledged upon the investment of the capital to be at least double the value, in each case, of the sum loaned. And the second standing rule provides for the same, except of value, upon all other loans of real estate. The abstract must state the value, and the data upon which the estimate is made, that is, whether from personal observation or the information of others. In fixing
760 the standard of value which is to regulate the amount of the loan the trustees have adopted the following rules:

If the pledge be an improved tract of land, the standard of value arises out of the land and the permanent indestructible improvements, without taking buildings into the account. If it be a town lot with buildings upon it, the standard of value is fixed by the lot alone, and if the buildings are

not insured the loan will be only half that value; but if the buildings are insured, the loan may be to the full value of the lot alone, and would in no instance be more than half the value of the lot and amount insured on the buildings. For example, if a town lot be of the value of $1,000, with uninsured buildings of the value of $2,000, the loan can only be $500; but if the buildings be insured for $1,000 the loan may then rise to $1,000, or the full value of the lot alone. Upon the receipt of the abstract by the secretary, it is registered and handed over to the solicitor, who investi-
761 gates the title, reports upon it, and returns the abstract and report to the secretary, who submits the whole to the committee of investments for their final action. If the report of the solicitor discloses defects of title which are incurable, the loan is declined; if the defects admit of remedy, the further action of the committee is suspended and the agent is notified of the defects for the purpose of affording opportunity to the applicant to cure them. If the title is reported to be good by the solicitor, the loan is granted, and the further proceedings upon it are carried on by the executive officers of the institution. The mode of proceeding is as follows: The secretary prepares a promissory note for the payment of the loan and interest at the rate of seven per cent. per annum, at the office in Cincinnati, on demand, a warrant of attorney to confess judgment in any court of record in this State, for the sum that may be due on the note for principal and interest, and a mortgage deed for the estate pledged to secure the payment of the note. These instruments are all dated on the day
762 they are made out, and if the applicant resides in Hamilton County they are usually executed by him on the same day, delivered to the county recorder, and the applicant then receives his loan through the check of the secretary on the cashier of the company. If the applicant resides out of Hamilton County, and is not in person at the office to execute his papers and receive his money, the secretary transmits to the agent through whom the application is made, with the note, warrant of attorney, and mortgage, the cashier's check upon the depository of the funds of the company nearest the residence of the borrower, which depository is either a bank, an agent, or other individual. If drawn upon a bank or individual other than an agent, the check is made payable to the order of the agent; if it be drawn upon the agent it is made payable to the borrower. The agent holds the check until the papers are executed, the note and warrant of attorney delivered to him, and the mortgage is placed in the hands of the recording officer. He then delivers or endorses it to the borrower, who may ob-
763 tain the money upon it immediately. So soon as the mortgage is recorded all the papers are transmitted to the office and deposited in the trust department. This circle of operations closes the transaction, so far as the effecting of the loan is concerned.

It will be observed that the apparent liability of the borrower is to become chargeable with interest from the date of the papers, to pay the interest semi-annually at the office in Cincinnati, to be sued on the note or mortgage at any time without default in the payment of principal or interest, and to undergo judgment and execution upon the warrant of attorney under similar circumstances.

These regulations are allowable under the charter, and might have been insisted on to the letter; but their severity has, as will be seen, been mitigated by uniform practice and rules which have been from time to time adopted by the board of trustees.

1st. *As to the time at which interest begins to accrue.*—The date of the note and mortgage is ordinarily prior to the date of the cashier's check
764 for the amount of the loan, and the interim may be one or more days, dependent on the precedent business and occupation of the time of

the officers. It became a matter for consideration with the trustees at the enacting of the by-laws, whether the borrower ought in fairness to pay interest for this time. It was seen that the clerical act of filling up the papers and affixing the date was not in fact the beginning of the loan, and that the money was not appropriated until the check of the cashier had eminated for the specific sum. That point of time seemed to be the true one for the commencement of interest, and it was accordingly provided in by-law No. 10 that the secretary should make a memorandum upon the margin of the note of the date of the check, and consider that as the day from which the computation of interest should begin. No time is lost to the borrower in which he pays interest in anticipation of the actual receipt of the money, except what is necessarily consumed in the transmission by mail of the cashier's check to the proper agency, which can hardly
765 in any instance exceed a week, and is usually but one or two days. This delay is common to all loans made by banks in which it happens that the borrower resides at a distance from the bank and receives his money by the transmission of a check. The bank considers the money appropriated at the time of the discount, so in respect to the loans of this company. The amount of the loan is specifically appropriated by the operation which results in the issuing of the cashier's check. The secretary makes a requisition on the cashier for the amount of the loan, which is answered by the cashier's check upon the depository of the funds of the company nearest to the applicant. This involves cotemporaneous entries in the books of each department. The trust department credits the banking department with the amount of the requisition. There is next a debit in the banking against the trust department for the amount of the cashier's check, and these correlative entries must be balanced each day. The secretary on the same day opens an account with the borrower, places the loan to
766 his credit, and the check and papers are transmitted. Everything has been done by the company, and what remains is to be done by the borrower, which is the act of affixing his signature to the papers. It is obvious that the trustees have fixed the latest and most favorable day to the borrower which common usage and the necessity arising from the accounts of the two departments would allow. It is equally obvious that this mode of transmitting loans to a distance is, so far as the company is concerned, not so desirable in a view to active and certain profit as the immediate payment of the money to the borrower at the office, for whilst the interest in transmission is no unfair acquisition to the company nor loss to the borrower, the state of things out of which it arises exhibits the very converse of the supposed benefit and loss. The company is under the necessity of maintaining distant deposits which do not draw interest. By this arrangement the borrower receives his money in his immediate vicinity, and he has another advantage of an unusual character in the trans-
767 actions between banks and individuals. Being impelled by some pressing necessity he applies for a loan, and his application goes through all the required forms, occupies the time of the trustees and officers, and is granted. The papers are made out and forwarded, the various entries appear in the books, so much of the capital is appropriated, and yet it may, and frequently does happen that this time and labor are lost. The transaction is not complete until the papers are executed; up to that moment the applicant has a *locus penitentiæ*. He may refuse the loan, and this refusal may be purely capricious, or he may, on more mature reflection, have become doubtful of the profit he may derive from the accommodation, or the emergency that at the time of the application may have passed away.

2nd. *The liability to pay the semi-annual interest at the office in Cincinnati.*—

To avoid the great inconvenience to which this would subject the borrowers, an arrangement was proposed in a circular to the agents,
768 under date of June 26th, by which the borrowers were allowed to deposit their interest in the bank most convenient to them, and the certificate of deposit when received at the office should entitle them to the proper credit. This arrangement has now grown into common practice, and the borrower is relieved from the necessity of making up his interest for a length of time before it falls due, and of devising the means of conveying it to his distant creditor at a stated day. He has until the last day to get the money together, and then pays it at the bank nearest to his own residence, or he procures the agent to receive, deposit, and transmit for him.

3rd. *The liability to suit on the note or mortgage at any time after their execution, although no default has occurred in the payment of the interest or principal.*—This immediate liability was required by the 12th standing rule of the insurance and trust department, by which it is provided "that for all loans made on real estate, notes or bonds shall be taken, payable on demand.

As early as the 21st of August last a committee of three trustees
769 was appointed to consider what alterations or amendments were necessary in the by-laws, standing rules, and regulations. That committee made report at length upon this feature of the 12th rule, and recommended the adoption of the following resolution: "That no loan heretofore made or hereafter to be made, secured by real estate, shall be called in so long as the borrower continues punctually to pay the interest on his loan semi-annually, and the value of the estate pledged shall be double the amount of the debt until the expiration of two years after the service of a written notice stating the time when payment will be required, and that the substance of this resolution be endorsed on all the obligations or mortgages to which it relates, on the request of the obligor or mortagor." This being a proposition to amend or change a standing rule, it was necessary under the 9th by-law that it should receive the assent of three fifths of all the trustees, and that a copy of it should be furnished to each trustee at least thirty days before its adoption. These forms having been complied with the resolution came up for consideration on the 1st of October
770 following, and was adopted by the unanimous vote of fourteen trustees. I have thought proper to exhibit the report of the committee, which will be found appended to this report (See Appendix No. 1.) It shows a very liberal spirit, and is a satisfactory *indicium* of the manner in which the present board desire to discharge the important trust committed to their care. It is the more satisfactory as the reasoning of the report and the views it offers are not displayed in a published document intended for effect on the public, but are addressed by three of the trustees to their fellows as the motive to action among themselves. The adoption of this resolution affords, in the language of the report, "an available assurance" of time to the borrower. By the endorsement on the bond or mortgage it becomes an integral part of the contract. The resolution may be repealed, the original rule may be restored, but this provision which may be made to appear in all the contracts by which the entire capital is now invested, cannot be changed.

4th. *The continuing liability to judgment and execution.*—This results
771 from the warrant of attorney, which bears date with the note, and authorises any attorney-at-law in Ohio, at any time thereafter to confess a judgment against the borrower in favor of the company, or their assigns, in any court of record in Ohio, for the sum due on the note for principal and interest. The debtor who executes such a power must have unhesitating confidence in his creditor. He is not protected by any con-

tract, the performance of which discharges his liability; the day after he may have invested the money, and months before he expects to pay even the interest he may be unexpectedly subjected, not to a mere demand, or to suit, but to the final process of the law for the entire debt.

The necessity for this form of security, which is used by some of the banks of the State does not exist in the charter. The 7th section, which has relation to the investment of capital, merely provides that it "shall be invested in bonds or notes bearing interest not exceeding seven per cent. per annum, secured by unincumbered real estate within the State of
772 Ohio." A bond or note as evidence of the debt, and a mortgage pledging the unincumbered estate for its payment, satisfy the requisitions of the act. Without doubt the company, in addition to the security specified in the 7th section, may demand any further security which is deemed necessary for the perfect security of the loan, and it was at least prudential in the commencement of its operations to adopt all possible safeguards against loss.

The warrant of attorney is required by the latter clause of the same rule, which, in respect of the liability to pay on demand, has been already altered. The resolution has also a bearing on the warrant of attorney clause. It provides that no loan "shall be called in so long as the borrower continues punctually to pay the interest." This language is general, and prohibits a calling in of the loan by an execution on a judgment confessed under the warrant as effectually as by an execution which is the result of a regular suit on the note, bond, or mortgage. Notwithstanding this restric-
773 tion the warrant may be called into action upon any failure to pay the interest, or at the expiration of the two years' notice. I cannot think that even for these exigencies this form of security should continue to exist. The experience of an entire year, in which the whole capital has been invested upon security more ample than the large requirement of the charter, has dispelled the doubt and anxiety which hung over the institution in its infancy. There is no necessity for any other security than the specific pledge, and without an absolute necessity none other ought to be demanded. The charter is for the public convenience as well as the profit of the stockholders, and in fixing the balance which was to regulate the facility of accommodation and the safety of the investment, the specific pledge of double value was adopted. To superadd a further security, and that in the severest form which is known in the relation of debtor and creditor, is calculated to make the capital less accessible, especially to the cautious bor-
774 rower, than is contemplated by the charter.

There are other consequences resulting from this form of security which are worthy of notice. The company, besides the first incumbrance on a specific part of the real estate of their debtor, have by the warrant of attorney the means upon the first failure to pay interest of acquiring a priority over all other creditors to the rest of his property within the reach of execution, whether real or personal. It is true that a court of chancery would, in favor of other creditors, require the company first to exhaust the mortgaged fund, and only to resort to the other estate to make good a deficiency, but it is scarcely supposable that it is the policy of the charter to provide for the payment of the debts of this company in exclusion of the debts due to other persons, or to encourage that sort of priority which for the public welfare is given to the Federal government, standing in the relation of creditor to a failing debtor.

Finally, in respect of the 12th standing rule, modified as it is by
775 the resolution of the 1st of October, and as it might be by the change in the warrant of attorney clause, it is worthy of consideration whether in the language of the charter a just regard to the public good and the security of creditors would not suggest its further amendment

By the amendatory resolution the instant right to call in the loans is specially reserved in two contingencies—the failure to pay the semi-annual interest, and the depreciation of the pledge below the double value. If the warrant of attorney were dispensed with, then this right might be exercised by suit on the note, bond, or mortgage. Now, so far as the contingency of failure to pay the interest is provided for, the immediate power of enforcing collection by suit in the usual mode ought not to be abridged. In that contingency the contract is violated in its essential feature, and the main object of the investment is disappointed. But the depreciation of the pledge is no violation of the contract in the sense that a neglect or refusal to pay the interest is a violation. It works an alteration of the state of things
776 as they existed at the time of the contract, and diminishes the amplitude of the security. The charter requires the double value at the time of the investment. It does not provide that it shall continue undiminished, and if I rightly apprehend its policy, it is not to encourage the calling in of the loans on that contingency. In the event of *of* a universal depreciation of our real estate the right to enforce immediate collection may be asserted, and it is just then that the public good requires that this power should sleep. If in such a state of things the interest is punctually paid, there is no policy in calling in the capital. No necessity can be felt by the institution if it keep within its charter in the exercise of its other powers of using the capital to meet its liabilities to the public. The punctual payment of the interest, the permanency of the investment, and its safety, are the desiderata.

The fluctuation of value is not the test of the safety of a permanent investment in real estate security. In a state of great prosperity it is
777 too high; in a condition of extreme distress it is too low. The value in a medium sufficiently removed from these extremes is the true standard. It may fluctuate to either extreme, but in the certain operation of things, its tendency is to return either in its ascending or descending movement to the intermediate point. All the capital of this company has been invested during the past year in real estate in Ohio. The time of the investment was favorable in reference to the standard of value. Our real estate had not reached its just maximum; gradually, and from the influence of obvious causes, it was advancing.

The clearing and cultivation of the soil, the opening of great vehicles of transport, and a rapidly increasing population were the powerful agents of this change. It is a safe estimate to fix the present value of the real estate pledged at an average advance of ten per cent. upon its value at the time of its investment. I find upon calculation that the average value at the time of the investment, instead of being in the proportion of two to one, is in
778 the proportion of more than two and one third to one, and with the ten per cent. added the proportion exceeds two and a half to one. It follows that if from the present standard of value there should be such an uncommon depreciation as to bring down all our real estate full one half, the real estate pledged to this company will then be worth twenty-five per cent. more than the capital. It can hardly be anticipated that the minimum of value will ever descend below the point which finds the pledge just equal to the investment. An acre of land now worth $2 50 must come down to $1 00 to reach that point, and even then it is a safe security. But if in any future time we are to be visited with a change so disastrous as to sink the value of our real estate still lower, that state of extreme depression must necessarily be temporary, and it will be in that period that the power of this corporation will be felt for good or evil. It will have the ability to indulge its debtors for the necessity which in times of depression is
779 common to creditors of calling in their means to meet their liabilities,

will not extend to the capital of this institution. There would be no motive but the temptation to purchase that could induce a sacrifice of the real estate pledged.

We can hardly believe that any board of trustees could so far forget the object and policy of the charter as to pursue a course so odious. It is satisfactory to observe that the present board have been careful to guard against any inducement to that sort of speculation. It is provided in the 24th by-law that if the company become the holder of real estate by purchase made for the collection or security of its debts, it shall be sold as soon as the amount necessary to save the company harmless can be realized. These considerations of policy are almost sufficient to satisfy any one that the right of calling in the capital will not be resorted to in times of general depression; but inasmuch as this right might then be abused in its exercise, it becomes a question whether sound policy
780 does not suggest some further available assurance of reasonable notice, prior to the calling in of the loans in that contingency. The operations of the committee of investments, as appears from the statement made to the court, had been confined up to that time to the investing of the capital. They had invested the sum of $1,858,099, leaving the sum of $141,901 then uninvested. This money was distributed in sixty-seven of the seventy-four counties of this State, in loans to two thousand one hundred and thirty-eight persons, at an average of $869 00 to each person, and secured on real estate of the estimated value of $4,338,117.

An examination of all the documents in each of these cases would have consumed the labor of months, and in this as well as in the other operations of the company, in which a large aggregate is the result of numerous items, nothing more could be expected from this investigation than some satisfactory tests of general accuracy.

The loans are arranged in consecutive numbers. I called for certain numbers distributed through the operations of the year, and for one at
781 least in each of the thirty-seven agencies, having in view the means of forming an opinion by the extension of the time through the year, whether there had been any change or relaxation of accuracy, and by their distribution as to locality, whether all the agents conformed to the regulations. Each of these cases was carefully examined in all its phases, from the application to its close, and found to be in every particular correct. The abstract of the agent, the opinion of the solicitor, the note, warrant of attorney, and mortgage were uniformly found to be present. I feel great satisfaction in being able to testify to the professional ability disclosed in most of the abstracts, and to the untiring industry and legal accumen which appear in the opinions of the solicitor.

The number of loans, as has been stated, was at that time 2,138; the number of applications acted on up to the same time was 3,165, leaving 1,027 cases, which were either declined, referred for abstract, or suspended.

It is impossible now to ascertain in how many of these cases the
782 note, warrant of attorney, and mortgage, were not then in the office. The practice is to have them re-transmitted to the office so soon as they have been executed, and the mortgage recorded; and it happens of course that after the loan is granted, and the cashier's check is transmitted, it may be some time, according to the distance, before the papers are returned. The report of the committee of finance, who are charged with the duty of preparing a full statement of the affairs of the company before dividend, made on the 31st of December, a month subsequent to the statement, has been exhibited to me. (See Appendix No. 2.) From this I find that the number of loans on that day was 2,339; that the papers were on

file in the office 2,085 of these cases, and that in 254 cases (being the whole number) they were either in transitu or in the hands of agents or recorders.

The committee of investment, up to the present time, have been exclusively occupied in the investment of the capital, no other fund having
783 been transferred to them as yet by the order of the board to be loaned on real estate.

A fraction of less than $10,000 is all that remains uninvested of the entire capital. It is just thirteen months and eight days since the first application was submitted to this committee, and in that time upwards of $1,990,000 of loans have been effected, secured by unincumbered real estate of the estimated value of $4,688,550.

II. *Next in order are the operations of the committee of finance.*—This committee is charged with the duty of investing the funds of the company other than the capital and the deposits in trust for a year and upwards, and they must audit all accounts against the company.

The statement exhibited to the court shows the amount of funds in charge of this committee at that date, (Nov. 30,) $148,747 60, which was made up of the following items:

Deposits in trust for less than twelve months	$104,085 34
Deposits by order of court, and for accumulation	450 00
Premiums received for insurance on life	1,159 70
Interest received on bonds and mortgage	27,911 57
Interest rec'd on notes secured by pledges of stock	1,871 01
Interest rec'd on general account, being on capital in N. York, before appropriation, and on delinquent stock	13,269 98
784 The loans made to the same time were	134,960 00
Leaving in the charge of the committee	13,787 60

I have examined the entries in the books touching these items, and find them to be correctly set forth in the statement.

It will be observed that on the two first of these items the company is liable to pay interest at rates from three to four per cent. per annum, and that the four last items are the proper funds of the company, which from the time of their receipt to the time of dividend, but for the operations of this committee, would be unproductive.

The most important of the above items is the amount deposited for a time less than one year. Interest is allowed by the company on such deposits after the following rates: For deposits not less than five nor more than twelve months, four per cent. per annum. If deposits are suffered to remain over twelve months, four and a half per cent. per annum is allowed. This business of the institution is valuable in reference to the facilities which it affords for the temporary and productive deposit of money, in
785 view of present safety and future use or investment. The whole number of these deposits up to the ptesent time is 255, and the total amount which has been deposited is $426,602 06. Of this sum the balance remaining on deposit is $230,578 76, of which $139,920 is now invested, and $90,658 76 remains to be loaned.

The interest received on notes and mortgages, which was $27,911 57, on the 30th of November, had increased on the 1st of January to $35,941 32, at which time it was merged in the general profits upon which the semi-annual dividend was declared. From the 1st to the 19th of January, inclusive, the amount received on this account was $11,326 37, being at the rate of $596 12 per day. The capital of $2,000,000, at seven per cent. per an-

num, would produce $383 56 per day. The excess for the first nineteen days in January is accounted for by the large loans of December, 1834, and June, 1835, upon which the semi-annual interest is now coming in.

The interest on notes, secured by pledges of stock, which was
786 $1,871 01 on the 30th November, had increased on the first of January to $5,574 91. This rapid increase is owing to the fact that the interest on these loans is made to fall due just prior to the time of declaring the dividend, and becomes a part of the fund to be divided.

The amount of deposits by order of court, and upon trust for accumulation, remains the same. The premium for insurance on life has increased from $1,159 70 to $1,223 20, and as yet no ascertained death has occurred.

The rate of interest at which loans have been made by the committee of finance, with three exceptions, has been seven per cent. per annum, payable half yearly or at the expiration of the loan. A question has been made whether that rate of interest is allowable upon any loans other than the capital.

The provisions of the charter which have reference to this question are the following:

The 4th clause of the second section gives the power "to receive money in trust and to accumulate the same at such rate of interest as may
787 be obtained or agreed on or to allow such interest thereon as may be agreed on." It is provided by the 7th section that "the whole capital stock shall be invested in bonds or notes drawing not exceeding seven per cent. per annum." The 19th section gives the trustees discretionary power of investing "the premium and profits received by the company and the moneys received by them in trust, in government or other public stocks of the United States, or of any State, or in the stock of any incorporated city, or in such real or personal securities as they may deem proper, or to loan the same to any county, city, incorporated town, or company." The 23rd section provides, as to the notes issued, that the company "may lend the same on notes or obligations or such other securities as the said trustees may require, at a rate of interest not exceeding six per cent. per annum;" and that if the company "shall demand and receive a greater rate of interest, in any case, than seven per cent. per annum its charter shall be forfeited."

788 It will be seen that here are four general funds which may be put at interest, viz: the capital, the deposits in trust, the notes issued, and the general profits. In respect to two of these the rate or maximum of interest is specially declared. The capital may be invested at a rate not exceeding seven per cent., the notes may be loaned at a rate not exceeding six per cent. No such limit is expressly declared for the rate of interest on deposits or profits. As to the deposits, the company is authorized by the 2nd section to accumulate them at such rate of interest as may be obtained, and to allow such rate of interest as may be agreed on. The rate which they may allow to the lender, or obtain from the borrower, is equally undefined. The 19th section, as has been seen, gives the power of investing the deposits in trust, and the general profits in any form of security, without reference to any rate of interest. There is then the general limitation in the 23rd section that the demand and receipt of a greater rate of interest,
789 in any case, than 7 per cent., shall work a forfeiture of the charter.

It would seem to follow, in respect of the deposits in trust, that as the power to obtain any rate of interest is given in the 2nd section, and not restricted in the 19th, that but for the limitation in the 23rd section the rate might exceed seven per cent., and therefore, it may go up to that rate. As to the profits, no such general power to obtain any rate of interest is given. It is merely provided that they may be invested. If there were no other pro-

vision in the charter touching the rate of interest and applicable to the interest on profits it would appear that the rate of interest, as fixed by general statute, (that is, 6 per cent.,) would be the maximum. How far the general limit of the 23rd section restricting the excess of interest, in any case, would, by necessary implication, allow the taking of interest up to that rate in any case, except upon the loan of the notes where a less rate is specially declared, is a question I do not undertake to decide.

790 III. *As to the committee of trusts and its operations.*—This committee has the general superintendence of all special trusts, which cannot be taken by the president without their concurrence, (excepting such trusts as are created by the order of a court,) nor without their approbation shall any moneys be received in trust on which a greater rate of interest than four per cent. is allowed. The operations of this committee have hitherto been very limited. The great proportion of the deposits in trust, at an interest of more than four per cent. have passed under the supervision of the board of trustees. Only one contract for the deposit of money in trust for accumulation has been taken, and as that will serve to explain the character of this description of trust, I have given to it particular examination. It is a deposit of $50, upon which the company is to accumulate interest at the rate of 4½ per cent. per annum, to be compounded annually, for the use of an infant ten months old, until the infant shall attain the

791 age of twenty-one years; and in the event of the infant's death before that time, the principal sum and accumulated interest to be paid to the depositor or his representatives, within sixty days after the death. But a single deposit has been made by order of court; it amounts to $400. Without special agreement or order of the court as to the rate of interest, the trustees have ordered it to stand at 4 per cent., the highest rate for any deposit less than five months.

By an order of the board, made July 10th, 1835, it is provided that the rate of interest on all deposits of moneys belonging to infants and lunatics, made by order of any orphans' court or court of chancery, shall be 5 per cent. per annum. Although the business of this committee has been hitherto so limited it will be seen that the most interesting, and perhaps the most useful, of the future operations of the company may come under their cognizance. The acceptance and execution of trusts was evidently a leading motive to the granting of the charter. The very name of the corpo-

792 ration is, in part, a designation of that purpose. The extent and usefulness of its capabilities in that aspect can hardly be estimated. It may act as trustees of estates, not of persons, in the character of guardian, executor, administrator, or receiver. It may be used as the safe and productive depository of trust moneys, or of funds in the hands of guardians, executors, administrators, agents of the law, or officers of courts, awaiting some contingency for final distribution to heirs, or creditors, or opposing claimants; and in private trusts it may be resorted to in those relations and circumstances of life in which the performance of arduous and responsible duties presses so heavily on the calls of friendship or relationship, and is so often changed by the death of the fiduciary, or disappointed by his insolvency.

Trust moneys in the hands of executors, administrators, and guardians, are subject to great hazards, or are wholly unproductive. There are no public funds in this country in which they can be temporarily in-

793 vested, uniting safety, convertibility, and productiveness. The trustee heretofore had no alternative but to hold them without use, ane thereby become chargeable with interest himself, or to run the risk of loss by lending them at interest. By a deposit in this institution they are made productive, and may be realized whenever the emergency for their use arises.

In anticipation of the security which the public are to have in the performance by the company of these trusts, it is with a wise foresight provided by the charter, that whilst the capital invested in real estate is $2, 000 000, the circulation of notes (and consequent liability in the banking department) is $1, 000 000, leaving an entire million of security for liabilities in the trust and insurance department. No bond is required to be given by the company in the discharge of any trust, for the reason that the security is in a better form—the pledge of the invested capital. This form of security is precisely analogous to that which in France is required of every individual
794 charged with a public pecuniary trust. He gives no bond, but must invest in public securities a sum equal to his probable liabilities.

I have now gone through the operations of the trust department, so far as they have been distributed to the three committees, and they embrace the exercise of all its powers, except the making of contracts which involve the duration of life. These may be either in the form of life insurance, annuities, or endowments. Nothing has been done except upon the insurance of life.

There are now twenty-one lives insured; three for life and the remainder for periods of from one to seven years. With one exception the assured are citizens of Ohio. The premiums received amount to $1, 470 70, and the sum insured to $53,900. The company are not advised of the occurrence of any death.

The trustees have published in pamphlet form their proposals for this branch of their business. Owing no doubt to the almost exclusive oc-
795 cupation of time hitherto in the investment of the capital, these proposals are less copious than is to be wished. The tables exhibited in the proposals are the following, the sum of $100 being the unit to which they all refer:

No. 1. Table of the rates of insurance upon life from the age of 10 to 68, inclusive, for one year, for seven years, and for life.

No. 2. Table of the rates of insurance during the continuance of two lives.

No. 3. Table of the rates at which the company will grant an annuity on a single life at any age from 42 to 72, inclusive, with a calculation of the sum necessary to purchase the annuity (of $100) for the same ages.

No. 4. Table of the rates of endowment to be paid to the person for whom the endowment is purchased upon his attaining the age of 21.

There is no table showing the expectation of life according to which the foregoing tables are calculated, but I learn from the actuary that they are taken, without variation, from the tables used by the Baltimore and
796 Philadelphia life insurance companies, which are founded on the life tables of Northampton, England. I have compared the Northampton tables with those calculated from Wigglesworth's tables of mortality in the United States, and I find the expectation of life very much in favor of the United States.

For example, the expectation of life—

At 20 years in Northampton is	34.22	years;	in the United States	33.62	years.
30	"	"	30.25	"	"	28.12	"
40	"	"	26.04	"	"	22.82	"
50	"	"	21.17	"	"	17.55	"
60	"	"	15.45	"	"	12.66	"
70	"	"	10.06	"	"	7.80	"

I have also collated the tables of rates exhibited in the proposals with those now used by the New York Life Insurance and Trust Company, and I find the New York tables most favorable to the assured.

For example, taking $100 as the unit or sum insured, the premium to be paid annually to the New York company and to this company is as follows.

Period of insurance one year:

Age 14:	89	cents to	Ohio company,	72	cts. to	New York company.
Age 20:	136	"	"	"	91	"	"
Age 34:	178	"	"	"	135	"	"
Age 41:	210	"	"	"	178	"	"
Age 50:	275	"	"	"	196	"	"

It will be seen from this table that it costs as much to insure the continuance of life for one year at the age of 34 in this company as to insure it at the age of 41 in the New York company. I do not see that there is any sufficient cause for this difference in the expectation of life in New York and Ohio. The New York company began with higher rates than those now used by this company, but the experience and investigation of less than two years induced a change of rates to the present standard. It is worthy of consideration, whether the rates of this company ought not also to be reduced so soon as the number of lives insured will justify a change.

I would also suggest the publication of proposals with fuller explanations of the nature and applicability of life insurance, and with more tables than the existing proposals contain. Life insurance is very little understood with us, and yet the circumstances of our people in town and country furnish many predicaments in which it would be desirable. In every town there are those who rely on yearly salaries or requisitions for the support of their families. A small annual premium will, in the event of death, produce a fund for the comfortable maintenance of those who might else be destitute. A farmer whose entire property is in an estate dependent on the life of another, may in this way provide a fund which upon the termination of that life affords him the means of making a new purchase. The instances in which life insurance gives security against the consequences of the common vicissitudes of life might be extended indefinitely. Looking to the experience of other countries, we must expect that it will grow into more common use, and that this branch of the operations of this company will be gradually but certainly augmented.

IV. *The banking department and its operations.*—The power to buy and sell drafts and bills of exchange comprise the banking powers. The first power is granted by the 7th clause of the 2d section of the charter, and is as permanent as the charter itself; the latter power is conferred in the 23d section, and expires with the year 1842.

Without the power to issue notes this corporation would have been a bank of deposit and exchange, with no circulation except for its drafts and certificates of deposits, and with no assignability to the certificates, except on its own books.

The 23d section allows it a circulation of $1,000,000 of its own notes as a maximum to be attained on a double contingency, which is, that at the time of the issue of the notes it should have half that amount of deposits in trust for a year or more, and continually afterwards, to justify the circulation, have in deposits generally, without reference to time, half the amount of circulation. In other words, to authorize an issue of $1,000,000 there must exist at the time of the issue, $500,000 of deposits for a year or upwards; to support the circulation of $1,000,000 there must always exist at least $500,000 of deposits, of which more or less, or none at all, may be for one year.

It is not clear in what view the legislature, in fixing the circulation, has had reference to the deposits in trust, other than as a mere standard of amount. These deposits, whether for a year or less time, are not declared to be banking capital. On the contrary, the power is given in the 19th section to loan them all out in government stocks, real estate, or other security, at 7 per cent. interest, whilst in the banking operations, upon a loan of the notes, only 6 per cent. can be demanded.

In the exercise of these banking powers the board of trustees have so construed the 23d section as to give more security to their circulation than is contemplated in the charter. They have, as well for the circulation as the issue of their paper, treated the deposits for a year and upwards as specially appropriated to the banking department, and have not deemed it advisable to lend them out at the higher rate of interest, or to rely at all in the banking department upon the fluctuating deposits for a time less than a year. It is ordered in by-law No. 17 that the moneys of the company shall be deposited in the banking department, and for all moneys belonging to the insurance and trust department, deposited for banking purposes,
801 the banking department shall be charged with the same rate of interest which is paid to the depositor.

On the 1st of January, 1835, the first deposit for a year and upwards was received by the company. This was a sum of $200,000 deposited by the Phœnix Bank of New York, for a term of twenty years, at the rate of 4½ per cent. interest, payable semi-annually, in New York. This was a nucleus for the banking operations, and accordingly, on the ninth of January, it was transferred to the credit of the banking department at the same rate of interest.

On the 7th July, 1835, it was ordered by the board that all moneys deposited in trust for one year and upwards be transferred to the banking department for banking purposes, and interest charged accordingly.

Under this general order the deposits of that description had accumulated in the banking department, up to the 30th of November last, to the sum of $675, 367. Of these the most important was made by the Bank of the United States through its Cincinnati branch, of $400,000 for a term
802 of twenty years, commencing with the 23d November, 1835, at an interest of five per cent., payable semi-annually, in New York.

As the amount of deposits for one year exceeds $500,000, the right to issue and keep up a circulation of $1,000,000 has vested, but the actual circulation has not yet reached that sum.

I have examined the books of the banking department to test the statement of the 30th November, and am satisfied that it is in all things correct.

The operations of this department, as was to be expected, have been more rapid in their development than those of the other department.

Up to the 1st of January, 1836, the discount line had reached the sum of $1,515,650. On the same day the deposits for a year and over, or its capital, were $676,067; the deposits of the life insurance and trust department were $276,875 03; the general deposits, $277,823 93; the circulation, $745,220; and the specie, $268,980 50. (See Appendix No. 3.)

The discounts are made by the board of trustees, and are not confided to any committee. They are either in the form of notes or bills of ex-
803 change, secured by pledges of stock or endorsement; and in no instance, except on bills of exchange, having more than one hundred days to run.

In reference to the operations in exchange, it appears by the statement of the 30th November that the exchange brought up to that date was $187,884 29, of which $116,070 23 was upon the southwestern States, at from ½ to 1 per cent. discount; $49,772 97 on the northern and eastern States at par; $12,360 within Ohio, ½ to 1 per cent. discount; and $9,680 79 upon States west of Ohio, at from ½ to 1 per cent. discount.

The amount of exchange sold at the same time was $2,191 325 04. Of this the chief item is $2,036,105 88 upon New York, which was made up principally from payments on account of stock subscribed. The rate at which it has been sold to the public is at ½ of 1 per cent. premium, and to banks, in settlement of balances, at par. No premium has been charged for exchange on any of the western or southwestern States.

Exchange upon the eastern cities has become a most interesting subject of inquiry. The immense purchases of our merchandise are made prin-
804 cipally at those points, whilst our exports go as well to other markets as to those. The consequence is that we experience a constant demand for eastern exchange, to afford the means of obtaining the supplies. This demand is daily increasing, whilst the sources from which it is to be furnished do not increase proportionally.

During the last ten years we have had extraordinary supplies. About $5,000,000 from the canal loans, which were put to our credit in New York, and at least an equal amount in eastern subscriptions to our stocks, so that it may be safely estimated that we have had annual supply from those sources of $1,000,000. That has now ceased, and not only so, but has increased the annual demand at least $500,000 for interest and dividends payable in the eastern cities. The operations of the Bank of the United States, which did not depend on local influences, have also ceased, and the duty and necessity have devolved upon the local banks to keep up the supply and regulate the rate.

805 Whilst the Bank of the United States was in operation the rate of eastern exchange throughout the State stood at ½ of 1 per cent. premium. At almost every point except Cincinnati it has risen to 1 per cent. Here it continues nominally at ½ of one per cent.; that is, when the banks here have exchange they sell it at that premium, but they have not the means of meeting the demand; and at this time, in this city, for the purposes of eastern exchange, the paper of the Bank of the United States has sold for 1 per cent. premium.

So far as I am advised of the course of banking in this city, for the last season, it does not seem to me to be well calculated to furnish exchange. Discounts here have been almost entirely upon domestic notes; whereas in the interior of the State they are quite the other way, upon bills of exchange, payable in the eastern cities, at long dates, based upon the exportation of our produce. A bank in the interior furnishes its notes to the dealer in produce, upon his bill, payable at the east at such time as will allow him to put down his produce in that market. This circle of opera-
806 tions is well adjusted. The bank finds such an extended circulation for its paper as enables it to allow the time necessary to the dealer to complete the operation, and it obtains a fund to meet the demands of the merchant for eastern exchange.

The banking department of this company has hitherto conformed to the cause of the bank discounts of this city. I find that on the 1st of January, 1836, the discount line stood at $1,515,650 10, of which about $200,000 was upon bills payable in the eastern cities. The necessity of finding immediate use for its deposits has induced the loans upon domestic notes. Hereafter it will no doubt be the policy of the company to lend upon bills payable at the east. Its excluded circulation and great means will allow the giving of sufficient time upon the bills discounted to enable the borrowers to meet them at the time and place of maturity. In this point of view the company may become a useful agent in assisting the produce of the State to its market, and equalising the rate of exchange.

I have now gone through the operations of this corporation in its
807 various aspects. The duty under the order of reference yet remains of stating an opinion as to the ability and integrity with which its affairs have been conducted, the prudence, safety, and productiveness of its investments, the safety of those holding its engagements, and its general effect upon the community. Very much of what might have been said here has been already stated in its appropriate place. I will endeavor to avoid its repetition.

In all that regards the management of this institution I can, with perfect sincerity, yield my unhesitating testimony to the ability and integrity of those under whose auspices it has hitherto been conducted. I do not think that the great moral responsibility of digesting a plan of operations for an institution of such new, extensive, and diversified powers, and of watching over its inceptive stages, could have been better discharged. The apparent severity of the early regulations has been, from time to time, relaxed in a spirit of commendable liberality. No power not clearly granted in the charter has been exercised, and those which are granted have
808 been so exercised as to keep in view the useful purposes for which the institution is designed.

As to the safety and productiveness of the investments, they are either in real estate of more than double value, or in notes and bills of exchange secured by pledge of stock or by personal securities. With respect to the real estate investments, enough has been said to satisfy any one of their perfect security. The investments in personal securities are no doubt made with prudence. A debt not paid at maturity is placd to an account of suspended debt. But one item appeared in that account up to the 1st of January, 1835 and that amounting to only $302 00.

The extent of the productiveness of these investments it is yet difficult to estimate with accuracy. The first dividend, declared on the 4th January, was 3½ per cent., leaving a surplus of $10,112 45. That represents the operations of the first year, and is, of course, no standard of the future profits.

Taking the state of the institution as it stood on the 1st of Jan-
809 uary, (see Appendix No. 2, 3, 4,) as the basis for the operations of the current year, we may form an estimate of profit which will approach the truth.

Interest payable by the company for the year 1836, on the deposits for a year and over, being $676,066 00, at an average interest of 4.80 per cent		$32, 448 00
Interest payable by the company for the year 1836, on the deposits less than a year, being $292,185 34, at an average interest of 3½ per cent		10, 226 00
Expenses for the year 1836, including salaries, rent, postage, stationary, fuel, printing, and probable items		17, 000 00
Bonus to the State of 5 per cent. on dividend of, say, 8 per cent. on capital		8, 000 00
		67, 674 00
Interest receivable for the year 1836, on the deposits less than a year, by committee of finance, at 7 per cent.	$281, 185 34	
At 4½ per cent	11, 000 00	
Average of 6.90 per cent	292, 185 34	$20, 161 00
Interest receivable in banking department for the year 1836, on discount line of $1,515,650 10, at 6 per cent. interest	$90, 936 00	
Add, say, ¾ of 1 per cent. for difference between interest and discount	11, 367 38	
		102, 306 38
810 Profits in exchange, say		7, 000 00
		129, 467 38

Brought forward		$129,467 38
Interest receivable on capital, $2,000,000, at 7 per cent		140,000 00
Total of profits exclusive of life insurance and reinvestment of accruing interest		269,467 38
Dividend on capital for the year 1836, say 8 per cent	$160,000 00	
Interest, expenses, and bonus, payable as above	67,674 00	
		227,674 00
Surplus		41,793 38

As to the safety of those holding the engagements of the company, these are either in the form of deposits in trust, policies on life insurance, or notes in circulation. Taking the state of liabilities on the 1st of January, we find the total of deposits in trust..... $968,252 34
The circulation..... 788,000 00
The insurance..... 47,900 00

1,804,152 34

To meet these liabilities the company had, at the same time, capital permanently secured to the amount of $2,000,000, in addition to the fair equivalents received for the investment of the deposits, the life insurance
811 and the notes issued. But it is to be observed that of this sum of $968,252 34 the sum of $600,000 was deposited for a period of twenty years, by two corporations, and not demandable within that time, and since the first of January a further deposit of $400,000, now secured on real estate, has been made with the company for the same term of years, making an entire million of the liabilities which are postponed for the period of twenty years.

The holders of these deposits may be regarded rather in the light of stockholders than immediate creditors, and their loans are more analogous to capital stock than to claims on the company, and are in effect pledged for the safety of the temporary deposits and the notes in circulation. Here, then, is a well-secured fund of $3,000,000 for the ultimate security of claims less than $1,000,000.

Looking to these twenty years' deposits in reference to the safety of the banking operations, we see that the notes in circulation can never exceed one million of dollars, and that the continuing liability to redeem must
812 be terminated by their entire redemption upon the expiration of the year 1842, a period of fourteen years prior to the time of redemption of the long deposits. It follows that when the circulation is extended to its maximum the holders of it have, for every dollar of paper, an equivalent of these deposits as security for its redemption. Furthermore, as the deposits over a year are appropriated to the banking department, and equal the total power of circulation, that circulation is in effect the fair representative of so much actual capital, in addition to the amount required by the charter.

Finally, as to the probable effects of this corporation upon the business of the country. There can be no reasonable ground to question its usefulness in the exercise of its insurance and trust powers, by which last I mean pure trusts as contradistinguished from the nominal trusts growing out of the deposit of moneys merely upon the contract to pay a given rate of interest for a given time, and then the principal.

In the banking operations of this company the public is affected either as its discountees or as the holders of its paper. The discounts are
813 principally confined to this city, and they represent in a great degree so much of the capital of the Bank of the United States which had been in use at this point, or so much of its credits not called in. The sum of $400,000 of cash collected by the Bank of the United States in winding up its affairs at this branch, the sum of $400,000 of its credits, in the form of debts due to it by the purchasers of its real estate, and upwards of $300,000 of its suspended debt, have, by the agency of this company, been retained in this community.

The circulation has been shown to be as safe as anything in the form of paper credit can well be made. No note of a less denomination than five dollars has been or will be issued; one half the issues are of the denomination of twenty dollars and over, the highest denomination being five hundred dollars. These large notes furnish a convenient medium of exchange between distant points in the west, and are already much sought after for that purpose.

In the investment of the capital at least $1,500,000 of actual capital
814 has been introduced from the eastern States, the other $500,000 was already here. This accumulated sum has been distributed over the entire State, in loans to more than two thousand persons of established character for punctuality, at a fair rate of interest, secured upon real estate and appropriated almost exclusively to the uses of agriculture, and so permanent as to be accommodated to those uses. I find no cause to doubt that capital, so introduced, distributed, and applied, has had a good effect upon the country.

The form of the loan has been objected to because of the incumbrance created on the real estate of the borrower. To me it appears the least exceptionable security which can be given for the permanent use of capital. The borrower stands upon his own character and his own resources. Third persons, in the shape of endorsers and securities, do not intervene. If there is loss, it falls upon the actual parties to the transaction, the person who has the advantage of the profit, or the corporation which risks the money;
815 and between a voluntary lien upon real estate given at the inception of the debt, and the adversary lien which may be obtained by every creditor upon a failure of payment, the former is clearly preferable, because of its being voluntary and without litigation and cost.

Some have doubted the policy of incurring debts for the uses to which this capital has been almost exclusively applied—the purchase and improvement of our lands. When it is considered that ample time, a fair rate of interest, and the privilege of making payment at any time, and in sums as small as $100, characterize these debts, there is no foundation for the doubts. Our agriculture is a certain, unfailing source of profit. It is not exhausted upon a barren tillage, but applied to a generous soil yielding a rich reward to labor and capital. Every one whose experience or observation has been directed to the transfer of our real estate has seen how largely and beneficially credit enters into the operation. Scarcely a tract of land changes owners in which the payment of more or less of the purchase-money is
816 not so deferred as to allow time for its realization out of the land itself.

In any point of view in which I can place the various powers of this corporation, I can see no cause to apprehend evil, present or future. The only money power which is not limited is that of borrowing and loaning money upon the deposit in trust. This power is incident to all banking corporations, and is generally coupled with great latitude of paper issue and circulation. It has been shown that the deposits for a term of twenty years already exceed the sum which is required to support the million of circula-

tion. The increase of these deposits will not, therefore, add one dollar to the paper credit of the company, but will simply add so much to the actual capital of the State.

It is beyond question that additional capital will be from time to
817 time required in the development of our vast resources; and between its supply through the usual agency of bank charters and by this mode of foreign loan, there can be no hesitation as to preference.

The capital of a new bank adds nothing to our actual capital, except so far as it represents the foreign subscription of stock; and for every dollar of the capital so obtained from abroad, or already here, there are, perhaps, three added to our paper circulation.

The safe and moderate exercise of this power to borrow and loan is guarantied by the deep interest which the trustees have in the security of the institution. They will introduce capital no faster than they can find safe and permanent investment for it at 7 per cent. interest. There is an obvious distinction between the distribution of actual and fictitious capital.
818 In the one instance the temptation to excessive expansion is sufficiently controlled by the fear of loss; in the other it must be regulated by positive limit.

All of which is respectfully submitted.

HENRY STANBERY,
Special Master Commissioner.

819 *Report of the special commissioner in the matter of the Ohio Life Insurance and Trust Company, February* 1, 1839.

Court in bank, November term, 1838.

In the matter of the Ohio Life Insurance and Trust Co.

The Ohio Life Insurance and Trust Company, in obedience to the order of this court heretofore made, having at this term filed their annual statement, and the same having been inspected by the court, John W. Willey, esq., is hereby appointed special master commissioner of this court in this behalf, and the examination of said statement and of the condition of said company is hereby referred to him.

It is therefore ordered that said master commissioner repair to the office of said company and examine the original books, papers, and documents of said company in the possession on in the hands of any of its officers, agents, servants, or other person for them, so far as he shall judge necessary to carry into execution the objects of his appointment. And if in the course of his examination he shall discover any cause of suspicion of mismanagement, or if he shall deem it necessary or expedient for the purpose of a thorough investigation of the affairs of said company, he is hereby authorized to examine on oath, to be by him administered, all or any officer, agent, or servant of said company, or any other person, touching the affairs or condition of said company; that he make a full and fair investigation of the affairs of said company, and of the management thereof, during the year next preceding such statement, and that he report to this court whether the statement at this term made by said company contains a full and true account of the matters required by the order of this court with which it assumes to comply; that he state his opinion in relation to the ability and integrity with which the affairs of said company have been conducted, and in relation to the prudence, safety, and productiveness of its investments, the safety of those holding its engagements, the advantages and disadvantages which result from its dealings to the public and to the various classes of individuals and corporations, and its effects upon the business operations of the community.

It is ordered that said company shall provide for said master commissioner a convenient apartment, and such clerks as he deems necessary, and every aid in their power calculated to facilitate his inquiry; that they shall submit all their books, papers, and documents to his examination, and furnish copies of such parts as he shall require. If said company shall refuse to submit its papers and documents to the examination of said master commissioner or its officers, or any other person shall refuse to submit to his examination, it is ordered that said master commissioner shall forthwith report the facts touching such refusal to the supreme court whenever
820 the same shall be in session, so that measures may be taken to secure the due observance of this order.

It is further ordered that said master commissioner shall make his full report, touching the matters aforesaid, and deposit it with the clerk of this court on or before the first day of July next, to be by said clerk filed; that he transmit one copy thereof to each of the judges of said court, and one copy thereof to said company, at the cost of said company; and leave is given said company to publish said report with their statement and the orders of this court.

THE STATE OF OHIO, *ss:*

I, Lyne Starling, jr., clerk of the supreme court of the State of Ohio, in bank, certify that the foregoing entry is taken and truly copied from the journals of said court. In witness whereof, I hereunto subscribe my name, and affix the seal of said court, this 25th day of December, 1838.

[L. S.] L. STARLING, JR., *Clk.*

The undersigned, master commissioner, under the order of reference hereunto attached, and in fulfilment of the duties thereby enjoined, reports that in the month of January, one thousand eight hundred and thirty-nine, he repaired to the office of the Ohio Life Insurance and Trust Company, located in Cincinnati. He there examined the original books, papers, and documents of the company. He prosecuted the various documents of erated in said order, so far as he judged it expedient to carry into effect the purpose and intention of his appointment. The charter incorporating the company is of recent enactment. It bears but a slight analogy to the ordinary legislation of the State. No small degree of investigation is required to comprehend the nature of its various provisions, or to ascertain in a satisfactory manner the intention of the legislature in the formation of the company. The corporators have, however, given it a construction according to their understanding of its character. They have brought into existence, under their act of incorporation, and put into practical operation two distinct monied institutions: First, an institution which is denominated "the insurance and trust department;" second, a bank which they denominate "the banking department." Hence, whether the legislature, in the act of incorporation, contemplated the creation of two distinct institutions or not, its corporators have assumed such to be its import and design. Consequently, at the organization of the company the following ordinance or by-law was adopted as a fundamental article: "Sec. 11. The affairs and business of the company shall be managed and conducted in two separate departments, the first to be denominated the insurance and trust department, the second the banking department." Also the following: "Sec. 18. Fair, full, and
821 regular accounts of debt and credit shall be kept by each of the departments thereof." Hence, also, both institutions were put in operation and continued under the direction and control of a separate class of officers. The insurance and trust institution has as its permanent officers, its president, secretary, actuary, and clerk. The bank has its president,

cashier, solicitor, teller, bookkeeper, and discount clerk. The capital of the company, in conformity with such organization, is distributed, controlled, and applied as the capital of two distinct corporations. The items composing the capital of the insurance and trust department, primarily and aside from the profits or accumulations thereon, are as follows:

Capital stock as authorized and limited by the 7th section of the charter	$2, 000, 000 00
A purchase from the Bank of the United States of bonds and mortgages, amounting to $400,000; a credit of 20 years at an interest of 5 per cent. per annum	400, 000 00
A purchase of the suspended debt of the branch bank of the United States, purchased on a like credit of 20 years, at an interest of 5 per cent. per annum	200, 000 00
Deposits made by individuals with the company for which the company has given its bonds, drawing an interest of 5 per cent. per annum, payable 20 years from date	133, 692 00
Deposits of money by individuals for a less time than 12 months, for which the company pay interest at the rate from 3 to 4 per cent	151, 559 56

The capital of the banking department is as follows:

A deposit by the Phœnix Bank of the city of New York of $200, 000, for the term of 20 years, for which the company pay an interest of 4½ per cent. per annum	200, 000 00
A loan of cash from the Bank of the U. States on a credit of 20 years, at 5 per cent. interest per annum	400, 000 00
Deposits of money by individuals for one year or more, for which the company pay to the depositors an interest of from 4½ to 5 per cent	28, 784 60
Thus making an aggregate capital of both departments, separate from accumulation by its use of	3, 514, 036 16

Of the capital and the management in the insurance and trust department the act of incorporation requires that the two millions of capital
822 stock of the company shall be vested in bonds and notes drawing interest not exceeding 7 per cent. per annum, secured by unincumbered real estate within the State of Ohio. The act also provides that the company shall have the power of investing the premium and profits received in the course of business, and the moneys received by them in trust in such real estate or personal securities as they may deem proper, or loan the same, as the company may judge expedient. The capital employed in this department has been principally, if not entirely, invested, and the powers conferred upon upon the company in this respect may be regarded at the present time as executed powers. The capital stock of two millions, and a half a million received upon trust and for interest and profit is upon loan. So fully executed are the powers of the insurance and trust departments under the charter and by-laws of the company that during the year embraced in the report of the company referred to the undersigned, commencing on the last day of October, 1837, and terminating on the last day of October, 1838, a little over eighty thousand dollars were in addition to former loans invested either upon real estate or upon personal security, both inclusive. The amount of interest in the same department received by the company upon their loans and investments for the same period from October 31, 1837, to October 31, 1838, fall but a fraction short of two hundred thousand

dollars, and the amount actually accruing was over two hundred and eight thousand. A condensed statement of the business of this department upon this head for the year referred to is as follows:

OCTOBER 31, 1837.

Account of capital stock loaned upon bonds and mortgages, not including interest	$2,000,000 00
Amount loaned from funds other than capital upon bond and mortgages	71,754 31
Amount of loans secured by pledges of bank and other stocks, by county credit, county taxes, &c.	309,218 00
	2,380,972 31

OCTOBER 31, 1838.

Amount of capital stock loaned upon bond and mortgage, not including interest	$2,000,000 00
Amount loaned from funds other than capital upon bonds and mortgage	149,941 81
Amount of loans secured by bank and other stocks, by county credit, county taxes, &c.	314,864 80
	2,464,806 61

823 Increase in the amount of loans during the year ending October 31, 1838, $83,834 61.

The interest accruing to the company in the insurance and trust department upon the investments for the same year was $208,386 16, as follows:

On bonds and mortgages	$141,458 95
On loans secured on pledges of stock	17,296 08
On bonds and mortgages purchased of the Bank of the U. States	28,366 93
On other accounts in the insurance and trust department	12,636 72
Amount received	199,758 68
Amount due on bonds and mortgages not received	8,627 48
Aggregate	208,386 16

Difference between the interest accruing to this department and the investment made by it for the year, $124,551 55. Hence, it is reasonable to infer that the business of this department is not for the future to be essentially enlarged. There is nothing in the act of incorporation or in the recent transactions of the company indicative of any considerable extension of its loans, of any material increase of its operations in contracts involving the duration of life, the granting or purchasing of annuities or endowments, &c., through the agency of this department hereafter. If the above inference be correct, the relation which this department of the company at present sustains to the community may be viewed in one aspect, that of creditor on the one side and of debtor on the other. In this view the advantages and disadvantages which result from the company's dealings to the public and to the various classes of individuals, and its effects upon the business operations of the country may be brought to a very obvious test. If in the ordi-

nary pursuits of life men are to borrow money and capitalists are to loan it; if, as has always been the case, the relation of creditor and debtor is to exist, the mode here authorized is probably based upon as much reciprocity and is as favorable in its general effects as any system it is perhaps practicable for the legislature to devise. The loan emanates from a durable source, from an institution of undoubted wealth, sanctioned by the supreme authority to continue by legislative permission until the year 1870, owned and controlled by men whose resources furnish the ability and whose interests create the motive to make the accommodation as permanent as the borrower shall desire. Though large in the aggregate the indebtedness incurred is not subject to the disadvantages of locality, but is extended
824 over seventy counties of the State, and thus distributed becomes light in consequence of the number of obligations it creates and the various purposes it subserves. At the same time, upon the other hand, the party accepting the loan and who subjects himself to the condition and liabilities of a debtor to the institution is a citizen of the State, possessing an interest in the soil, and having the disposal of property. He is not the broken-down tradesman, the scheming adventurer, or the idle and dissolute mechanic, but generally of the farming or manufacturing class, capable of judging of his own interests, seldom indulging in absurd expectations, and one likely to scrutinize rigorously the evidences which prompt to him to enlarge his obligation or extend his intercourse in business. From such a quarter and to such a portion of our citizens has nearly two and a half millions of dollars being loaned by this department of the institution. The undersigned sees no controlling reason to doubt but that such a distribution of capital within our borders through the agency of the company, upon terms and in modes already known to the public and to the court, has exerted a salutary tendency where its influence has been felt. He also concurs in the opinions expressed in the reports of former master commissioners in relation to the ability and integrity with which the affairs of this department have been conducted generally. He finds satisfactory evidence in his own mind that the investments of the company are made in a prudent, safe, and productive manner, and that their condition at the present time is such as to provide an exemption from hazard or danger of loss to those holding its engagements. He is also satisfied of the acquiescence on the part of the company in the obligations created by the visatorial powers of the court, and feels a full assurance from his examinations that the annual statement referred to the undersigned, of the affairs of the company as they existed on the 31st day of October last, contains a correct account of the several matters which it professes to exhibit, and which are enjoined by the order of the court with which it assumes to comply.

Of the banking department.—The authority given to the company to engage in the business of banking is derived from the 2d and 23d sections of the act of incorporation. By the former section the power to buy and sell drafts and bills of exchange is specifically granted. By the latter section
825 power to issue bills and notes is also conferred. The former power endures while the company exists, the latter terminates with the expiration of the year 1842. The latter power is also limited within certain bounds. The company can never issue or put in circulation their notes or bills exceeding in amount one million of dollars, neither can the amount issued or in circulation exceed at any time double the amount actually on deposit. Thus far the act of incorporation is significant. Beyond this it is not over expressive. It nowhere contains the usual provisions applicable to the other banking institutions of the State. The company has supplied, or at least overcome, the imperfection. It has taken the responsibility of reducing elements to form, of moulding these incidental provisions to meet

the emergency, and of putting in operation a bank as among the rights and privileges enumerated and manifestly conferred upon the institution.

The undersigned has already mentioned the present capital of this department and the several items of which it is composed. The amount of the capital is not necessarily stationary. Originating from and resting upon the operations of the insurance and trust department, it may be increased or diminished as circumstances require. The manner and source of such increase or diminution is perhaps best shown by the by-laws and rules for the government of the company, which are already before the court. In the 12th by-law it is provided that "the business of the insurance and trust department shall be superintended by the standing committees, each to consist of at least three trustees, including the president, to wit, a committee of finance, a committee of investments, and a committee of trust. By the 13th section it is provided that the committee on finance shall superintend and direct all investments that shall be made of the funds of the company, other than the funds of the banking department, in stocks, certificates of deposit, &c. And by the 14th, that the committee of investments shall superintend and direct all investments of the company that shall be made in real estate securities. (The committee of trust have the control of special trusts in cases of guardianship, receivership, &c., unimportant in amount and without influence upon the business of the company.) By another rule it is also provided that all moneys deposited in trust for one year or upwards, shall be transferred to the banking department for banking purposes, and interest charged accordingly; from which provisions it
826 follows that the banking department may receive and use as capital, first, such funds of the company as the committee of finance does not invest in stocks, certificates of deposit, or other securities; second, such funds of the company as the committee of investments does not invest in real estate securities; and thirdly, all moneys deposited in trust for one year or more. These several classes of means, it is readily perceived, may be greater or less at different periods, according to the course of business. The management of this banking capital, thus derived and constituted, is very fully set forth in the annual statement of the company presented to the court, already referred to. It is employed as there exhibited, at least in the outline of the company's transactions, to correspond to the practice and usages of other banking institutions. That statement having been found, upon investigation of the books and papers of the company, to contain an accurate exhibit of its affairs and being specific upon the several points to which the order of the court refers, supercedes the necessity of a further exposition in this report. From the bank statements made out and recorded upon their books tri-weekly, the following facts were noted touching the capital, the specie on hand, the discounts, and the circulation, showing the quantity and amount of each at certain dates for the period of two years, commencing on the first day of January, 1837:

JANUARY 1, 1837.

Discounts	$1,691,052 51
Circulation	785,945 00
Capital	626,464 60
Specie on hand	142,527 41

MAY 12, 1837.

Discounts	$1,232,698 13
Circulation	539,280 00
Capital	474,087 10
Specie on hand	205,101 38

SEPTEMBER 1, 1837.

Discounts	$782, 725 46
Circulation	187, 340 00
Capital	472, 937 10
Specie on hand	228, 389 05

JANUARY 1, 1838.

Discounts	$685, 804 86
Circulation	82, 090 00
Capital	624, 909 60
Specie on hand	69, 120 81

MAY 1, 1838.

Discounts	$719, 002 99
Circulation	62, 155 00
Capital	624, 359 60
Specie on hand	56, 945 07

AUGUST 1, 1838.

Discounts	$532, 989 29
Circulation	56, 410 00
Capital, same as before.	
Specie on hand, do.	

SEPTEMBER 1, 1838.

Discounts	$587, 387 67
Circulation	187, 070 00
Capital	624, 984 60
Specie on hand	82, 381 25

JANUARY 1, 1839.

Discounts	$892, 506 71
Circulation	787, 475 00
Capital	629, 384 60
Specie on hand	90, 719 64

The undersigned, at the time of prosecuting this examination, was aware of an impression in the public mind, implicating the conduct of the banks. He himself was not insensible of the causes which had given rise to such impression. Among the many grounds of censure, well founded, undoubtedly, in many instances, was that of unreasonable exactions of interest upon loans. The necessities of individuals, it was very generally believed, had furnished to the banks the opportunity of demanding, indirectly, unlawful interest for the use of money. A prolific cause of complaint was the refusal of banks to discount paper other than drafts or bills payable abroad, at the same time rejecting what is called domestic paper or notes payable at the bank where the money was obtained. The applicant for money, in order to obtain a loan, was required to make his draft payable in some eastern city in the shape of a foreign bill of exchange. In the event of the nonpayment of such paper at maturity, having generally sixty days to run, the bank had a right not only to exact the amount borrowed and the lawful interest as discounts, but also six per cent. damages. The ordinary borrower

827

having no funds abroad when his obligation was payable, in order to save himself from the 6 per cent. damages, would apply to the bank for a renewal. A renewal and a consequent extension of the time of payment followed of course, on condition of paying to the bank the difference of exchange between the place where the bank was located and the place specified for the payment of the money. The exchange was greater or less as the bank dictated, sometimes represented to be 2, 3, and even 5 per cent. At the expiration of 60 days, the period when the renewed draft became due, to avoid the 6 per cent. damages and immediate prosecution, a further renewal on like terms would be acceded to. This process would be repeated as long as necessity forced the borrower to yield to the exaction. In some cases it was alleged, interest on this species of paper, although domestic, in fact never having left the bank for presentation where payable, was received at a rate exceeding 20 per cent. per annum. Under this part of the order of the court, requiring the undersigned to state an opinion of the effects of the company's dealings upon the business operations of the country, he considered himself obligated to ascertain the practice of the banking department in this particular. Accordingly, in aid of the investigation,
228 he addressed the following queries to the president:

CINCINNATI, *January* 8, 1839.

M. T. Williams, esq., president of the Ohio Life Insurance and Trust Company:

SIR: You will please to furnish me with correct information on the following points:

1. Whether, in the banking department of your institution, your practice within the last two years has been to discount to your ordinary customers foreign bills or drafts, or bills or drafts made payable out of the State.

2. Whether this practice has prevailed, or any instance of this kind has occurred, during the two past years, at times when notes or paper drawn payable in this State was not, as a general rule, discounted by your institution.

3. Whether, upon the discount of a foreign bill or draft, or bill or draft payable out of this State during the period above named, a greater sum has been charged to the borrower, or received by your institution, than the discount at the rate of 6 per cent. per annum in advance, and the known difference of exchange between the place where your institution is located and the place where such bill or draft was made payable.

4. Whether, on foreign bills or drafts, or drafts drawn payable out of this State, discounts have been made by your institution to borrowers at any time within two years last past, and at maturity such loan or discount has been renewed and the time of payment extended; if so, what is the greatest number of renewals or extensions of payment in any one case; whether character of the paper or obligation taken or received upon such renewal or extension, and the highest amount on any one renewal charged to or received of the borrower, either as interest or exchange, or both in the aggregate?

Respectfully yours,

JOHN W. WILLEY.

To which the following reply was received:

OHIO LIFE INSURANCE AND TRUST COMPANY,
Cincinnati, January 9, 1839.

John W. Willey, esq., special master commissioner:

SIR: In reply to your interrogatories of yesterday's date, I have the honor to state:

1. It has always been the practice of the banking department of this institution, when in funds, to discount bills or drafts payable out of the State.

2. This institution has frequently, within the past two years, as well as at other times discounted foreign bills or drafts in preference to notes or paper payable at home. Foreign bills drawn against shipments, or
829 upon other business transactions, being at all times preferred to local paper, as they produce exchange, which, in most cases, is as efficient in the redemption of the obligations of the bank as specie. You will see, however, by reference to the semi-weekly statements of the banking department, that the local discount line of the bank has greatly exceeded in amount in most cases the foreign bill line. During much of the period to which you refer the local discount line has exceeded the capital of the banking department, while the capital of the trust department, $2,000,000, has always been devoted to local accommodations payable in fact at the pleasure of the borrowers. It is the credit of the company, (circulation and deposits,) which is principally employed in the purchase of foreign bills which can be safely only employed.

3. In the purchase of foreign bills and drafts the institution has only charged, in addition to six per cent. interest, the usual rates of exchange on such paper between this city and the places of payment.

4. The bills purchased by this institution have, at all times, been forwarded immediately after their purchase to the place of payment, and have invariably been paid as stipulated or returned under protest. When returned dishonored the best arrangement with the parties has been made that circumstances would admit. In some cases another bill has been purchased with the proceeds of which the dishonored bill has been paid, thus giving the parties further time to realize the means against which they have drawn. In other cases the amount has been turned into a local debt, by discounting a note payable at home, with such security as was satisfactory or as could be obtained; but in no case has there been a renewal of a bill, or a previous agreement to that effect.

Respectfully, your obedient servant,

M. T. WILLIAMS, *President.*

In addition to the evidence presented by this reply, the undersigned discovered no facts involving the banking department of the institution in the practices in question. He found no grounds to doubt but that its operations in this particular had been conducted upon a legitimate basis, and is of opinion that, in comparison with other banks, and in a relative sense, the course of its dealings with its customers and with the community, entitles it to occupy a prominent place in the public estimation.

Respectfully submitted.

JOHN W. WILLEY, *Spe. Master Commissioner.*

830 *Fifth report of the master commissioner in the matter of the Ohio Life Insurance and Trust Company,* 1840.

Order of reference.—Court in bank, December term, A. D. 1839.

The company having heretofore at this term returned their annual statement, and the same having been inspected by the court, John W. Andrews is hereby appointed a special master commissioner of this court in this behalf, and the examination of said statement and of the condition of said company is hereby referred to him. It is therefore ordered that the said master commissioner repair to the office of said company and examine the original books, papers, and documents of said company, in their possession,

or in the hands of any of its officers, agents, servants, or other persons for them, so far as he shall judge necessary to carry into execution the object of his appointment. And if in the course of his examinations he shall discover any cause of suspicion of mismanagement, or if he shall deem it necessary or expedient for the purpose of a thorough investigation of the affairs of said company, he is hereby authorized to examine on oath, by him to be administered, all or any of its officers, or agents, or servants
831 of said company, or any other person, touching the affairs of said company; that he make a full and fair investigation of the affairs of said company, and of their management thereof during the year next preceding such statement, and that he report to this court whether the said statement this day made by said company contains a full and true account of the several matters required by the order of this court with which it assumes to comply. And it is further ordered that he specifically examine the condition of the banking department, whether its management is safe, and whether the standing rules relating to it have been faithfully observed, whether the debts due it are dormant or active, whether any issues of evidences of debt have been made in forms not permitted by law, whether ony such issues are payable in any other thing except cash and on demand; that he specially notice in his report every transaction, or usage, or act of this company which, in his opinion, is either unauthorized or prejudicial to the public interest; that he state his opinion in relation to the ability and integrity with which the affairs of said company have been conducted, and in relation to the prudence, safety and productiveness of its investments, the safety of those holding its engagements, the advantages and disadvantages which result from its dealings to the
832 public and to the various classes of individuals and corporations, and its effects upon the business operations of the community. It is ordered that said company shall provide for said master commissioner a convenient apartment, and such clerks as he deems necessary, and every other aid in their power calculated to facilitate his inquiry; that they shall submit all their books, papers, and documents to his examination and furnish copies of such parts thereof as he shall require. If the said company shall refuse to submit its papers and documents to the examination of said master commissioner, or if its officers or any other person shall refuse to submit to his examination, it is ordered that said master commissioner shall forthwith report the facts touching such refusal to the supreme court, whenever the same shall be in session, so that measures may be taken to secure the due observance of this order. It is further ordered that said master commissioner shall make his full report touching the matters aforesaid, and deposit it with the clerk of this court on or before the first day of July next, to be by said clerk filed, and that the said master transmit one copy thereof to each of the judges of this court, and one copy thereof to the company, at the cost of said company, and leave is given to said company to publish said report with their statement and the
833 orders of this court.

THE STATE OF OHIO, *ss:*

I, Lyne Starling, jr., clerk of the supreme court in bank of the State of Ohio, certify that the foregoing order of reference is truly copied from the journal of said court in my office. In testimony of which I have hereunto set my hand and affixed the seal of said court, at Columbus, this 7th day of February, A. D. 1840.

[L. S.] LYNE STARLING, JR., *Clerk.*

Report of the master commissioner in the matter of the Ohio Life Insurance and Trust company.

To the judges of the supreme court of the State of Ohio:

The master commissioner having repaired to the office of the Ohio Life Insurance and Trust Company, in Cincinnati, and having there instituted an examination into the affairs of said company in pursuance of the order of the court, begs leave respectfully to report that he finds the answers of the officers of said company as embraced in their last annual report, to him referred by the court, in all respects true, excepting only errors that were evidently purely accidental, and for the most part wholly immaterial
834 to a just understanding of the present state of the company's affairs.

That said answers were not, however, entirely satisfactory on all the points embraced in the questions to which they assumed to reply. Certain additional facts communicated to him by the officers of the company, and believed, in connection with their report, to meet fully all the questions propounded by the court, will be found in the appendix under number 1. The powers conferred upon this company by their charter are very extensive, but in their practical operation at this time may all be embraced under the four following heads:

1. Life insurance.
2. The power to borrow money.
3. The power to loan money.
4. Banking and its incidents, under which may be ranged the issuing of notes for circulation; the loaning of money, and discounting of notes or bills, buying and selling drafts and bills of exchange, purchase and sale of stocks.

1. *Life insurance.*—This is a very interesting branch of the powers of the company. It enables the professional man, the mechanic, the holder of a life loan, dower estate, tenancy by curtesy, and all that numerous class of citizens whose means are large enough for support, but not for rapid accumulation, to secure a competency for their families after their decease, by paying to the company a small sum annually during life. Thus
835 the payment of twelve and a half cents per day during his life, by a person commencing at twenty-five years of age, according to the rules of the New York Life Insurance and Trust Company, will entitle his family at his death to the sum of twenty-two hundred and forty dollars. The rates of life insurance in the Ohio Life Insurance and Trust Company differ from those of the New York company above alluded to. A table giving the rates of insurance in each company will be found in the appendix under number 2. In the New York company a rule has been adopted by which an individual whose life has been insured for years or for life, and who, from inability to pay the annual premium, or for any other cause, wishes to withdraw and stop the insurance, is permitted so to do, and the company will estimate the risk they may have already run, and will pay back to the assured a fair proportion of the amount that may have been received from him. A policy of life insurance thus becomes a species of property, and may be estimated as so much money in the resources of the individual assured. It is the intention of the Ohio company to adopt the same rule, and it would probably, if desired by any individual, form the basis of an adjustment at this time. An assurance by the company to that effect, and a change in the rates of insurance so as to meet the terms which experience has dictated to older companies, together with the dissemination of
836 correct information on the subject, would, it is believed, sooner or later, render life insurance an exceedingly important branch of the business of the company.

2. *The power to borrow money.*—This power is embraced in that clause of the second section of the charter of the company which authorizes them "to receive money in trust, and accumulate the same, at such rate of interest as may be obtained or agreed on, or to allow such interest thereon as may be agreed on." This clause of the charter gives to the company an unlimited power to borrow money. The twenty-third section prohibits them from taking, in any case, on their loans, a greater rate of interest than seven per cent. per annum, and the difficulty of obtaining money on such terms as to be enabled to loan it advantageously under this restriction constitutes the only safeguard against the abuse of this power. A practice has grown up, apparently based upon this grant of power to borrow money, which is believed to be of dangerous tendency and unauthorized by a fair construction of the charter. In the last annual report of the company it will be seen that the sum of $133,692 is charged to the company as "20 years deposites by individuals." The nature of this item is as follows: The company loan their certificates of deposite, payable in twenty years, bearing five per cent. interest, payable semi-annually in New York, instead of money, and take in return from the borrower notes for the amount of the certificates, payable on demand in New York, secured by mortgage to
837 double the amount of the notes in value, with warrants of attorney to confess judgment thereon, and bearing interest at seven per cent. per annum, payable semi-annually in New York. No money is either borrowed or loaned by the company in this operation. The borrower sells the certificates of deposit at their market value, and the company receive notes for their par value, bearing interest at the rate of seven per cent. per annum, payable semi-annually in New York. The fall in the price of these certificates of deposite, when too abundant in the market, constitutes the only substantial check upon this class of loans; and it has been ascertained by experience that even the severity of the above conditions, together with a fall of twenty-five per cent. in the market value of the certificates of deposite below their par value, does not deter borrowers from applying for this species of accommodation. The company have, however, for some time past, ceased from loaning their certificates of deposite, and it is believed that good policy, as well as a sound construction of their charter, forbids that a practice so ruinous to the borrower should ever be revived. The following is the form of an order for a loan of certificates of deposite as taken from the books of the company: "Ordered, that the president cause to be prepared bonds or certificates of deposite to the amount of $50,000, payable to —— —— or his assigns, redeemable in twenty years, and to bear interest at the rate of five per cent. per annum, payable half-yearly in New York,
838 and that the said sum of $50,000 in bonds or certificates of deposite be loaned to said —— —— as so much money, upon interest at the rate of seven per cent. per annum, payable half-yearly at the Phenix Bank, in New York, and the principal to be paid as follows." The principal of the notes given by this class of borrowers is made payable on demand in New York.

3. *The power to loan money.*—1. Amount of capital loaned. By the seventh section of their charter the company are required to loan the whole of their capital stock of two millions of dollars on bonds or notes drawing interest not exceeding seven per cent. per annum, securred by unincumbered real estate within the State of Ohio, of at least double the value in each case of the sum so secured. The fair construction of this clause of the charter is believed to be that the company shall keep their capital of two millions of dollars permanently invested in the manner prescribed. The question has arisen in the course of this investigation whether all the capital of the company is at this time so invested. It will be seen by the report of the com-

pany that the amounts of bonds and mortgages by them held for loans is $2,100,552 60. In this amount is included the sum of $133,692, being the bonds and mortgages received on the loan of the "20 years certificates of deposite" before alluded to. Instead, therefore, of $2,000,000 in money
839 being now loaned on bond and mortgage, it seems that only $1,966,860 60 in money is so loaned, and that the sum of $33,139 40, which is added in order to make up the loan of $2,000,000 required by the charter, consists of certificates of deposite loaned instead of money. It is my opinion that the loan of these certificates of deposite is not a loan of capital as required by the charter. The design of the charter in reference to this point evidently was that two millions of money, not certificates of deposite or mere evidences of debt, should be permanently loaned among the people of the State. The great object of the seventh section of the charter must inevitably be frustrated by a construction that admits of a loan of anything else than money to meet its provisions. In progress of time all bona fide loans of money may in this way be wholly supplanted by evidences of debt issued by the company on as long time and as severe terms as the necessities of the borrowers will admit of, and thus the whole cash capital of the company, which was designed by the charter to swell the amount of the active business resources of the people of the State, may be diverted from its legitimate object to some more profitable channel within the wide range of the chartered powers of the company. It is my opinion, therefore, that the whole amount of the capital of the company is not at this time loaned out, as required by the seventh section of the charter.

840 2. Interest taken on loans. The amount of interest which the company may take on their loans is limited by the charter. On their capital loaned they are permitted to take "not exceeding seven per cent. per annum" interest; on their loans in the banking department they may take interest at the rate of six per cent. per annum; on all their loans in the trust department of funds other than capital the company have inferred their right to take seven per cent. per annum interest from the language of the second and twenty-third sections of their charter. The opinion has been already expressed that the full amount of their capital is not at this time loaned out by the company. If, however, the court should deem the loan of certificates of deposite substantially a loan of capital, then an important question arises as to the amount of interest taken on the $33,139 40 loaned in the shape of certificates of deposite, and regarded by the company as capital. On this amount, and also on the $100,552 60 residue of said loan of certificates of deposit, and not embraced by the company in their estimate of capital, seven per cent. per annum interest, payable semi-annually in New York, is received by the company, and the principal is also payable on demand in New York. The question presented is whether the company are thus receiving on this $133,692 a greater rate of interest than seven per cent. per annum. It is believed that the company have the right to receive this rate of interest on their loans in the trust department
841 at any time they may contract so to do, whether semi-annually or, as is done by them in some cases, quarterly, or at any other stated period, provided such interest shall not be taken in advance. But it is believed to be equally clear that they have no right, by receiving their interest or their principal at a point where funds may be more valuable than at their place of business, to increase the amount of interest actually received by them at such place of business beyond the rate of seven per cent. per annum, either upon their capital or upon their loans other than capital. The charter has limited the rate of interest on loans in all cases to seven per cent. per annum. As an inducement to capitalists to invest their funds in Ohio, one per cent. was added to the ordinary legal rate of interest. If the company

can demand the payment of principal and interest in New York, they can, with equal propriety, demand their payment in London whenever the necessities of the borrower may render such terms practicable; and thus, by availing themselves of the rates of exchange on different points, they may, in effect, receive, in defiance of their charter, a rate of interest limited only by the value of exchange. Any such shift or device adopted by the company for the purpose of obtaining on their loans a greater rate of interest than seven per cent. per annum is, in my opinion, unauthorized by their charter. The rate of interest received in the banking department will be alluded to hereafter.

842 In order to ascertain as far as possible the present situation of the capital of the company, and of the payments of interest upon the same. I caused to be prepared a table showing the whole amount on which interest is due and unpaid in each county in the State, and the amount of interest so due and unpaid; the amount for which suit has been brought in each county, and the amount of interest due and unpaid thereon; the number of suits brought or ordered in each county since the commencement of business by the company, and the number of suits so brought or ordered between the 31st of October, 1838, and the 31st of October, 1839; which table will be found in the appendix, under No. 3. For the purpose of ascertaining to some extent the effect of the loans of the company upon borrowers, and the diligence and promptness with which the principal loaned or a part thereof has been voluntarily paid up, I caused to be prepared a table showing the number and amount in each county of voluntary payments of the whole debt, of one half or more of the debt and less than the whole, and less than one half of the debt. There is also annexed thereto a statement of the several amounts collected by suit, and the counties in which collected, and also of the whole number of applications to the company, at their office in Cincinnati for loans, and the amount so applied for. This last estimate is of course exclusive of applications made to their respective agents, and not communicated to the company.

843 The prompt payment of the interest due, together with the fact that nearly one fifth of the capital originally loaned has been voluntarily paid up, indicates clearly the fidelity and success with which the agents of the company have discharged their duties, in selecting men of punctuality and business habits as borrowers of the company. The policy of the company toward this class of debtors, during the depression and embarrassment of the business community for the last twelve months, has been exceedingly liberal. The common currency of the banks or certificates of deposite from any of the banks in good credit throughout the State have been received as cash, and in the latter case collected, without charge by the company, in payment of interest.

4. *Banking department.*—This department is established under the provision of the twenty-third section of the charter of the company. It is in effect a mere agency of the trust department which loans to it its capital, reaps its profit, and assumes its losses. The subordinate officers of the two departments, however, act entirely independently of each other under the general control and supervision of the president and trustees of the institution. At the expiration of every six months the banking department accounts to the trust department for the use of its capital and pays over its

844 profits, or has its deficiencies made good. My remarks in relation to this department will be confined to the following heads:

1. The issuing of notes.
2. The loaning of money and discounting of notes or bills.
3. The purchase of stocks.
4. The observance of standing rules.

1. *Issuing of notes.*—On the 29th of October last the company commenced an issue of checks on their cashier in New York, payable in twelve months after date, which issue was limited to $100,000. These checks are in the usual form of bank notes, and of denominations convenient for circulation as money, and in all respects similar to the checks on the branch of the State Bank of Indiana at Lawrenceburg, which were deemed illegal by a former master commissioner whose report had been filed and was under advisement at the time of this last issue, and was soon after confirmed by the court. The circulation of these checks on time amounted to $96,000 at the time when the recommendation of the court in reference to this species of paper reached the company; since which time they have ceased issuing, and have rapidly diminished the amount then in circulation.

During the last year a somewhat different issue of paper has been made by the company. Checks to the amount of $114,000 have been issued
845 for circulation as money, payable not at the banking-house of the company in specie, but at distant points in this and other States, and in bank notes of Ohio, Indiana, and Kentucky, respectively, of which the following is a specimen:

Five. No. . A A 5.

5. 5.

Cashier bank of Xenia: On demand, pay to the order of five dollars of Ohio bank notes, and charge the Ohio Life Insurance and Trust Company.

Cincinnati, November 13th, 1839.

Five. Five.

* * * * *, *Ass't Cashier.* * * * * *, *President.*

The amount of this paper in circulation at the time of this investigation, in February last, was $82,885, and was diminished or increased from day to day, according to the exigencies of the banking department. The following table shows the places at which and the notes in which this issue was made payable.

Payable at the Lawrenceburg branch bank, in Indiana bank notes	$33,000
Payable at the Lawrenceburg branch bank, in Kentucky bank notes	6,000
Payable at the bank of Xenia, in Ohio bank notes	12,000
Payable at the Urbana banking company, in Ohio bank notes	21,000
Payable at the bank of Marietta, in Ohio and Kentucky bank notes	15,000
Payable at the Commercial Bank of Lake Erie, in Ohio bank notes	9,000
Payable at the Commercial Bank of Lake Erie, in Indiana bank notes	6,000
Payable at the bank of Wooster, in Indiana bank notes	6,000
Payable at the bank of Wooster, in Ohio bank notes	6,000
Amounting in all to	114,000

846 Arrangements were made with the several institutions above named, respectively, to redeem their notes in the currency specified, when presented. It is my opinion that this issue of checks for circulation as money,

payable at distant points in bank notes, is unauthorized by the charter of the company, and that all such checks, as well as those on time before alluded to, should be redeemed by the company in specie on demand, and that all notes issued by them for circulation as money should purport on their face to be payable in specie on demand.

2. *The loaning of money and discounting of notes or bills.*—In reference to the loans and discounts of the company in this department two points of interest presented themselves for investigation.

1. The amount and nature of such loans, and their present condition.

The whole amount of loans in the banking department on the 31st day of Otober last was reported by the company as.		$958, 940 91
Of this amount there was loaned on stocks	8, 100 00	
On notes payable in Cincinnati	259, 332 03	
On bills of exchange	148, 498 23	
There was also charged to the account of bills receivable, being loans previously made in the banking department, and extended and secured by mortgage or otherwise	320, 312 67	
The suspended debt was	180, 448 77	
847 There was in judgment	42, 249 21	
		958, 940 91

The amount embraced under the first three items of the above statement constitute the active debt due to this department, being made up of the ordinary business paper received by them. The amount embraced under the last three items (of bills receivable, suspended debt, and debts in judgment) constitute the dormant debt of this department. The last two items explain themselves. The other item (of bills receivable) consists of paper supposed to be well secured for the most part, and which has been from time to time received by the company in securing claims that were due to the banking department and deemed doubtful. At the time of this investigation, in February last, their "bills receivable" amounted to $342,858 41. Of this amount $96,768 93 had paid interest according to the terms prescribed on the face of the paper, the sum of $215,183 66 was in arrears for interest, and the interest due on $30,905 82 of said bills was included in the body of the bills themselves, which were not then due. Of the above debts the sum of $13,918 28 is regarded as doubtful, and $2,722 as bad, by the officers of the company. From the limited means of information on this point within my reach, I am of the opinion that the principal part of the debts due to the company will ultimately be collected, and the above is probably a fair estimate of bad and doubtful debts.

848 In regard to the species of funds usually paid out by the company on their loans or discounts, it may be proper to remark that whenever any such payments have been made by the company since the issue of the checks on time, and the checks payable in bank notes before alluded to, their checks have been used indiscriminately with other currency at par. The checks on time are no longer issued, but then payable in currency are still to some extent paid out by the company. The right to pay out this species of paper, and especially the checks on time, to borrowers at par, even admitting the right to issue such paper at all, cannot, it is believed, be sustained by any fair construction of the charter.

2. *The rate of interest on which such loans were originally made or are continued.*—The rate of interest taken or reserved on ordinary loans or discounts in the banking department is six per cent. per annum. But on all debts in this department which are extended and secured, and classed under

the head of "bills recievable," the rate of interest reserved is seven per cent. per annum. The charter limits the rate of interest on loans in the banking department to six per cent. per annum. If the debts alluded to had been transferred from the banking to the trust department, perhaps the rate of interest exacted by the company would have been lawful. But the company have chosen to retain these debts in the banking department, probably
849 from a fear that their withdrawal might sink the capital of this department below the amount required by the charter to sustain its circulation, and the company thus be debarred from enjoying to the full extent the privilege of banking. I am of the opinion that the company cannot avail themselves of the benefits conferred by the section of their charter which defines their banking privileges, without submitting to the six per cent. per annum interest on all loans of their banking capital as therein prescribed. This opinion, however, is not intended to embrace paper on which interest is payable according to the laws of other States.

3. *Purchase of stocks.*—By the nineteenth section of the charter it is provided that the company "shall not hold stock in any one private incorporated company beyond twenty-five thousand dollars." The company owned at the time of their last report $38,125 in bank stock, of which $10,000 was stock of the Urbana Banking Company, and $28,125 stock of the branch of the State Bank of Indiana, at Lawrenceburg. The nominal amount of this stock, however, was originally $25,000, being five hundred shares, estimated at fifty dollars per share. The additional $3,125 consists of accumulated profits added to the original stock; and the price paid by the company for the whole was $28,125, being the amount that had been actually paid
850 in upon the stock.

4. *Observance of standing rules.*—The standing rules for the government of the banking department have not been strictly observed in practice by the company. The second of these rules directs that "on all paper discounted payment shall be exacted at maturity, and no discount shall be made with any understanding, express or implied, of any connection between the payment of one note or bill and the discount of another." These directions have not been observed by the company, and are believed to be wholly impractible in any part of the United States. The rule should, perhaps, be modified, however, instead of being disregarded. The third standing rule provides that "in no case shall a note, bill, or obligation be discounted when either the maker, drawer, acceptor, or endorser thereof shall be under protest at the bank." This rule has not in practice been strictly adhered to. In forming an opinion as to the general correctness of the course pursued by the company in their banking department, it is proper to take into consideration the fact that this department labors under some peculiar disabilities. It is compelled to pay specie on its notes on penalty of forfeiture of its charter for refusing so to do, at times when all the neighboring banks have suspended specie payments, and when many of them are extending their business beyond the limits to which specie payments would confine them.

In times of revulsion, also, the bulk of the capital being permanently
851 loaned out as required by the charter, cannot be called in to meet the exigency, and thus break to some extent the force of the shock that falls upon its debtors. With a credit to sustain, which is high in proportion to the amount of their capital, the company may therefore find themselves at times crippled and embarrassed, not so much by the requirements of their charter, which are just and reasonable, as from the fact that neighboring institutions are not subjected to the same wholesome restrictions. A comparative statement of the condition of the banking department on the 31st day of October, 1838, and the 31st day of October, 1839, will be found in the appendix under number 5.

5. *By-laws of the company.*—The bonds of the president and secretary of the company have not been annually renewed according to the third by-law. A new committee for the banking department was created by resolution of the trustees, on the 1st day of October, 1838, for superintending "so much of the business of the banking department as relates to the produce and sale of drafts and bills of exchange," without observing the formalities prescribed by the ninth by-law, and no records have been kept of the reports of the committee on exchange and on suspended debt, according to the twenty-first by-law. Some of them may, perhaps, be deemed unimportant matters, but the by-laws, until repealed, are certainly of sufficient importance
852 to be observed. The company are required by the court annually to report, among other things, a list of the names of persons having deposites or balances of account lying in their hands for a year or longer, without charge and without any contract for their continuance, and the amount standing to the credit of each on the books of the company. Most of these balances are so small as hardly to justify their repeated publication from year to year. I would recommend this order of publication be limited to balances of ten dollars and upwards.

Management of the institution.—It remains for me to state my opinion "in relation to the ability and integrity with which the affairs of this company have been conducted, and in relation to the prudence, safety, and productiveness of its investments, the safety of those holding its engagements, the advantages and disadvantages which result from its dealings to the public and to the various classes of individuals and corporations, and its effects upon the business operations of the community."

While it is my opinion that both departments of the institution have been conducted with integrity of purpose, I am equally clear that in the management of both mistakes have been made in the construction put upon the charter. In reference to the "ability with which the affairs of the company have been conducted," it is obvious that if the views taken in this report are correct, the management of the institution does not indicate the same
853 degree of ability that would have marked an equally successful course pursued in strict conformity with the law.

Its effect on the country.—I entertain no doubt that the dealings of the trust department of the institution have proved advantageous to the public and that its effects upon the business operations of the community have been for the most part highly beneficial. In reference to the banking department there is some difficulty in expressing an opinion on these points. Looking, however, at the character of the paper that has been issued for circulation by this department, standing, as it does, in the front rank of our moneyed institutions, and giving tone, as it necessarily to some extent must do, to the great banking interest of our State, I am led to the belief that its dealings for the past year have not, on the whole, proved beneficial to the public, to the corporations of the State, or to the business operations of the community generally. That these unauthorized issues of paper have afforded much temporary relief there can be no doubt.

Safety of creditors.—Great, however as may be the benefits derived from such measures in seasons of depression, I believe them to be more than counterbalanced by the evils that must necessarily flow from them when based upon a violation of the laws of the land. There can be no doubt of the entire safety of those holding the engagements of the company, and my opinion as to the prudence, safety, and productiveness of its different investments has been already sufficiently expressed.

854 All which is respectfully submitted by

JOHN W. ANDREWS,
Special Master Commissioner.

Appendix No. 1.

Facts in addition to and explanatory of those embraced in the report of the company.

It is difficult to form a correct opinion of the market value of the stocks held by the company as security for loans. Probably the stocks so held would not, if forced to a sale at this time, pay the debts for which they stand pledged. No considerable loss can, however, result to the company on these loans, as they have in each case, in addition to a pledge of stock of a greater amount at its par value than the loan itself, the note of a responsible individual.

The loans from the trust department on personal security are all at six months, on none of which is interest due and unpaid or has suit been ordered.

The amount of interest due and unpaid in the trust department is $14,056 41, of which $7,644 24 has been due for six months or more.

There is a slight discrepancy between this statement and the report
855 of the company, arising from some mistake in reference to the interest due from the estate of a deceased person.

The amount of Ohio six per cent. State stocks owned by the company is $682,000. One million of this stock was originally purchased, for one-half of which $8 62½ premium on $100 was paid by the company. The remaining $500,000 was purchased for $513,800, $120,000 having been paid for in New York, at two per cent., and the residue on various lines of public works in Ohio in current bank notes, at three per cent. The market value of this stock in February last was supposed to be about $95 per share of $100 in New York, and $91 in London.

The amount of debts known to be bad or presumed to be uncollectable is $2,722.

The amount of commission received on collections for the year ending Oct. 31st, 1839, was $5,015 38.

The highest rate paid during the same time for exchange on New York was 2 per cent.; the lowest rate for checks at sight one per cent.

The highest rate received for exchange during the same time was 2½ per cent.

The amount received for exchange sold during the same time was $36,757 66.

856 Appendix No. 2.

Table of the rates of insurance of one hundred dollars on a single life, New York Life Insurance and Trust Company.

Age.	1 year.	7 years.	For life.	Age.	1 year.	7 years.	For life.
14.....	72	86	1 53	38.....	1 48	1 70	3 05
15.....	77	88	1 56	39.....	1 57	1 76	3 11
16.....	84	90	1 62	40.....	1 60	1 86	3 20
17.....	86	91	1 65	41.....	1 78	1 88	3 31
18.....	89	92	1 69	42.....	1 85	1 89	3 40
19.....	90	94	1 73	43.....	1 89	1 92	3 51
20.....	91	95	1 77	44.....	1 90	1 94	3 63
21.....	92	97	1 82	45.....	1 91	1 96	3 73
22.....	94	99	1 88	46.....	1 92	1 98	3 87
23.....	97	1 03	1 93	47.....	1 93	1 99	4 01

Table of the rates of insurance, &c.—Continued.

Age.	1 year.	7 years.	For life.	Age.	1 year.	7 years.	For life.
24.....	99	1 07	1 98	48.....	1 94	2 02	4 17
25.....	1 00	1 12	2 04	49.....	1 95	2 04	4 49
26.....	1 07	1 17	2 11	50.....	1 96	2 09	4 60
27.....	1 12	1 23	2 17	51.....	1 97	2 20	4 75
28.....	1 20	1 28	2 24	52.....	2 02	2 37	4 90
29.....	1 28	1 35	2 31	53.....	2 10	2 59	4 24
30.....	1 31	1 36	2 36	54.....	2 18	2 89	5 49
31.....	1 32	1 42	2 43	55.....	2 32	3 21	5 78
32.....	1 33	1 46	2 50	56.....	2 47	3 56	6 05
33.....	1 34	1 48	2 57	57.....	2 70	4 20	6 27
34.....	1 35	1 50	2 64	58.....	3 14	4 31	6 50
35.....	1 36	1 53	2 75	59.....	3 67	4 63	6 75
36.....	1 39	1 57	2 81	60.....	4 35	4 91	7 00
37.....	1 43	1 63	2 90				

857 APPENDIX No. 2.

Table of the rates of insurance of one hundred dollars on a single life, Ohio Life Insurance and Trust Company.

Age.	1 year.	7 y'rs.	For life.	Age.	1 year.	7 y'rs.	For life.
10 to 14.	0 89	1 07	1 88	40.....	2 03	2 20	3 40
15.....	0 90	1 15	1 93	41.....	2 10	2 27	3 49
16.....	0 96	1 23	1 98	42.....	2 18	2 33	3 58
17.....	1 06	1 30	2 03	43.....	2 23	2 39	3 68
18.....	1 16	1 37	2 08	44.....	2 28	2 46	3 79
19.....	1 25	1 43	2 13	45.....	2 33	2 54	3 90
20.....	1 36	1 47	2 16	46.....	2 39	2 63	4 01
21.....	1 44	1 50	2 23	47.....	2 45	2 72	4 13
22.....	1 46	1 53	2 27	48.....	2 51	2 82	4 25
23.....	1 48	1 55	2 31	49.....	2 61	2 93	4 39
24.....	1 51	1 58	2 35	50.....	2 75	3 03	4 53
25.....	1 53	1 60	2 40	51.....	2 87	3 13	4 68
26.....	1 55	1 63	2 45	52.....	2 95	3 24	4 82
27.....	1 58	1 66	2 50	53.....	3 05	3 35	4 98
28.....	1 60	1 69	2 55	54.....	3 15	3 47	5 14
29.....	1 63	1 72	2 61	55.....	3 25	3 60	5 32
30.....	1 66	1 75	2 67	56.....	3 36	3 73	5 50
31.....	1 69	1 78	2 73	57.....	3 48	3 88	5 70
32.....	1 72	1 81	2 79	58.....	3 61	4 03	5 91
33.....	1 75	1 84	2 85	59.....	3 75	4 18	6 13
34.....	1 78	1 88	2 92	60.....	4 10	4 57	6 69
35.....	1 82	1 94	2 99	61.....	4 27	4 76	6 98
36.....	1 85	1 98	3 07	62.....	4 45	5 00	7 26
37.....	1 89	2 03	3 14	63.....	4 65	5 24	7 30
38.....	1 93	2 09	3 23	64.....	4 87	5 55	7 98
39.....	1 96	2 15	3 31	65.....	5 11	5 83	8 36

858 APPENDIX No. 3.

Table showing the amount of interest due and unpaid, and the number of suits commenced or directed in each county, &c.

Counties.	Amount on which interest is due.	Amount of interest due thereon.	No. of suits commenced or directed in each county.	Amount in suit.	Amount of interest due thereon.	No. and amount of suits commenced or directed in each co. from the 31st Oct., 1838, to the 31st Oct., 1839.	
Allen	$250	$8 75					
Ashtabula	2,185 39	376 12	3	$2,100	$372 66		
Belmont	450	15 75	1	450	15 75	1	$450 00
Cuyahoga	44,200	3,592 75	17	20,700	2,770 25	3	3,700 00
Columbiana	1,000	81 50	2	850	68 25	1	450 00
Carroll	1,100	56 00	2	1,100	56 00	2	1,100 00
Clark	450	15 75				1	300 00
Champaign				150		1	150 00
Crawford	600	42 00	1	600	42 00	2	867 50
Delaware	800	84 00	1	800	84 00	2	400 00
Darke	600	21 00	1	600	21 00	2	1,000 00
Franklin	18,180	822 10	1	800	112 00		
Gallia						1	300 00
Huron	7,350	304 50	1	450	63 00	2	2,500 00
Hamilton	21,300	1,074 50					
Hardin						1	280 00
Knox	500	45 50	1	100	17 50	1	100 00
Lorain	5,660	509 60	7	5,550	505 75	1	900 00
Logan	600	21 00					
Lucas	50,000	5,250 00	1	50,000	5,250 00	1	50,000 00
Miami	800	28 00					
Marion	3,850	392 00	3	2,150	332 50	2	7,300 00
Morgan	1,500	52 50					
Monroe	2,180	76 30	1	300	7 00	1	200 00
Montgomery	2,000	140 00	1	2,000	140 00	3	4,350 00
Medina	3,000	420 00	1	3,000	420 00		
Mercer						1	140 00
Paulding	200	7 00					
Pickaway						1	800 00
Preble	500	17 50	1	500	17 50	3	1,000 00
Portage	1,300	43 54	1	300	8 54	1	600 00
Ross	200	7 00				3	3,650 00
Richland	400	14 00	1	200	7 00	6	2,600 00
Sandusky	400	42 00	1	400	42 00	1	400 00
Shelby	700	24 50					
Seneca	2,100	108 50	3	1,500	87 50	3	1,500 00
Stark	450	15 75	1	450	15 75	1	450 00
Trumbull	700	24 50	1	300	10 50		
Tuscarawas	2,000	70 00				1	1,200 00
Wayne	300	10 50	1	300	10 50	2	600 00
Williams	400	42 00	1	400	42 00	1	400 00
Warren						1	500 00
	178,205 39	13,706 41	56	95,750	10,518 95	53	81,187 50

Appendix No. 4.

Table showing the number and amount of payments of debts and of applications for loans, &c.

Counties.	The number and am'ts of payments of ½ and less.		The number and amount of payments of ½ and more, and less than the whole.		The number and amount of payments of the whole debt.		The whole number and amount of payments.	
	No.	Amount.	No.	Amount.	No.	Amount.	No.	Amount.
Allen	1	$100	----	----	13	3,350	14	3,450
Butler	2	500	----	----	2	1,700	4	2,200
Brown	----	----	----	----	3	1,012	3	1,012
Belmont	1	850	1	450	7	1,875	9	3,175
Clark	4	830	1	800	12	9,580	17	11,210
Clermont	2	560	1	500	4	1,450	7	2,310
Carroll	1	100	1	200	16	5,150	18	5,450
Champaign	1	100	5	2,220	11	2,725	17	5,045
Coshocton	----	----	----	----	1	500	1	500
Columbiana	2	200	2	400	11	4,400	5	5,000
Crawford	1	300	1	1,700	5	2,600	17	4,600
Cuyahoga	1	797	----	----	1	600	2	1,397
Clinton	----	----	1	1,800	5	3,350	6	5,150
Delaware	1	100	1	700	5	3,250	7	4,050
Darke	1	100	2	1,650	20	5,015	3	6,765
Franklin	7	5,425	----	----	16	17,450	23	22,875
Fairfield	2	1,700	----	----	8	3,050	20	4,750
Fayette	1	100	----	----	2	2,600	13	2,700
Green	4	3,400	----	----	7	8,400	0	11,800
Gallia	1	1,478	1	350	2	1,000	14	2,828
Geauga	1	150	----	----	----	----	1	150
Guernsey	----	----	----	----	4	1,350	4	1,350
Hamilton	25	12,383 41	21	25,970 84	63	80,140	9	118,494 25
Harrison	1	150	1	475	12	3,565	104	4,190
Hardin	----	----	1	100	2	430	13	530
860 Holmes	----	----	----	----	3	900	3	900
Hocking	----	----	1	791	----	----	1	791
Hancock	----	----	----	----	1	400	1	400
Henry	----	----	----	----	2	3,000	2	3,000
Jefferson	1	230	----	----	7	2,975	8	3,205
Knox	2	833	2	500	11	10,300	15	11,633
Logan	2	200	2	1,400	12	7,710	16	9,310
Licking	1	100	----	----	3	1,400	4	1,500
Lorain	1	134	1	100	5	1,480	7	1,714
Montgomery	2	1,600	1	300	13	6,425	16	8,325
Miami	3	300	2	900	24	8,525	29	9,725
Morgan	----	----	----	----	3	2,700	3	2,700
Mercer	----	----	3	950	3	3,359	6	4,309
Muskingum	2	470	----	----	5	3,450	7	3,920
Marion	1	100	----	----	10	4,700	11	4,800
Monroe	1	190	1	300	9	2,510	11	3,000
Preble	1	360	4	1,125	15	6,400	20	7,885
Pickaway	1	200	2	3,000	----	----	3	3,200
Perry	1	100	----	----	1	300	2	400
Portage	3	324	----	----	2	2,100	5	2,424
Putnam	----	----	----	----	2	916	2	916
Richland	2	550	2	500	13	4,350	17	5,400
Ross	2	2,050	----	----	2	3,600	4	5,650

Table showing the number, &c.—Continued.

Counties.	The number and am'ts of payments of ¼ and less.		The number and amount of payments of ¼ and more, and less than the whole.		The number and amount of payments of the whole debt.		The whole number and amount of payments.	
	No.	Amount.	No.	Amount.	No.	Amount.	No.	Amount.
Shelby	2	200	4	650	17	3,960	23	4,810
861 Stark	2	492	1	250	25	13,850	28	14,592
Seneca	3	300	----	----------	13	4,900	16	5,200
Tuscarawas	1	100	----	----------	4	1,300	5	1,400
Trumbull	1	250	----	----------	2	600	3	850
Union	1	100	----	----------	----	----------	1	100
Warren	5	1,690	1	500	8	9,500	14	11,690
Wayne	3	400	----	----------	10	3,400	13	3,800
Wood	----	----------	----	----------	1	1,500	1	1,500
Washington	1	200	----	----------	6	3,050	7	3,250
Williams	----	----------	----	----------	3	4,215	3	4,215
Paulding	----	----------	----	----------	1	282	1	282
	105	40,596 41	67	48,581 84	467	288,599	639	377,777 25
By suit not included above.								
Cuyahoga	----	----------	----	----------	1	400	1	400
Lorain	1	134	----	----------	----	----------	1	134
Ashtabula	----	----------	1	214	----	----------	1	214

Whole number of applications registered..... 3,597
Whole amount thus applied for..... $4,012,289

862 APPENDIX No. 5.

Comparative statement as on 1st November, 1838, and 1st November, 1839, Ohio Life and Trust Company—banking department.

Debit accounts:

	1st Nov., 1838.	1st Nov., 1839.
Bills discounted, domestic	$410,386 29	$267,432 03
Do. do., foreign	275,725 39	148,498 23
Bills receivable	317,453 23	320,482 67
Suspended debt	86,388 64	180,448 77
Judgments	33,996 66	42,249 21
Specie (including specie cert. deposits, 40,000) 1838	146,590 52	96,974 06
City notes	10,981 70	1,521 00
Foreign do	63,289 00	37,894 00
Cash items	3,335 96	4,792 07
Due by agencies (New Orleans, $79,218 74)	81,860 76	21,619 97
Due by banks	118,112 93	52,138 50
Ohio State stocks	541,875 00	725,536 05
Funds in transitu	51,359 72	25,911 02
Real estate	.....	920 59
	2,141,355 80	1,926,418 17

Credit accounts:	1st Nov., 1838.	1st Nov., 1839.
Capital	$628, 784 60	$635, 259 45
Circulation	433, 765 00	406, 805 00
Deposits	337, 825 24	234, 704 33
Bills payable	187, 580 00	22, 270 00
Trust department	89, 934 36	99, 920 55
Profit and loss, (4 months)	12, 619 17	9, 624 34
Due to banks	96, 100 11	44, 411 33
Checks on time	.....	68, 136 38
J. N. Perkins, cash. New York	.....	354, 752 90
Commissioner Ohio canal fund, less $352,840 90 due by Commercial Bank of Cincinnati on special account at 1st November, 1838	354, 747 32	50, 533 89
	2, 141, 355 80	1, 926, 418 17

863 1845.

In re. Trust Company.

Master commissioner's report.

To the judges of the supreme court of Ohio;

The master commissioner appointed at the last session of the court in bank, to examine the affairs of the Ohio Life Insurance and Trust Company and the accuracy of the last annual statement, respectfully reports that he commenced the investigation on the 12th day of May last, at the office of the company. The company provided for him every necessary accommodation, and its officers offered every aid in furtherance of his labors.

Under the provision of the charter, the business of the company naturally arranges itself into two distinct branches, the trust and the banking departments, each having its own office and agents, united under the common head of a president and board of trustees. To verify the truth of the last annual statement the master examined the books and accounts, both general and individual, in both departments, and from inspection and from the oaths of the bookkeepers he represents them to be well and regularly kept. The master selected for more minute scrutiny a sufficient number of individual transactions taken promiscuously, examined their proper vouchers and original documents, and compared them with their corresponding entries. From these and other sources of information he is satisfied that the company holds mortgages, titles to land, evidences of debt secured by mortgages,
864 personal security, and pledges of stock, as represented in their statement. A sufficient examination of the money on hand was likewise made, to convince the master that the accounts of the company in this respect are correct. The master commissioner therefore reports to the court "that the said statement contains a full and true account of the several matters required by the order of the court with which it assumes to comply;" that "no issues of evidences of debt, in forms prohibited by law, have been made during the past year; that neither the company nor its officers are engaged in business prohibited by law or calculated to affect the credit of the company;" and that no neglect nor infraction of the standing rules hath come to his knowledge, and he believes the affairs of the company are administered with honesty, ability, prudence, and good faith.

In the further execution of his duties, the master commissioner was led to consider the object of the act of incorporation in requiring a report from him touching the "prudence and safety of its investments," "the security of

those holding its engagements," "and the advantages of its operations to the public." The powers conferred upon the company are, to deal in life insurances, annuities and exchanges, to make contracts relating to moneys, and to execute trusts. The possession of those powers involves the right of acting as a bank of discount and deposite, the franchise of a bank of circulation, originally granted by the 23d section, having expired in 1843, and, although renewed upon certain conditions last winter, has not been exercised, and, as understood by the master commissioner, is not intended
865 to be renewed. Upon this analysis the *direct* interest of the public in the safety and good management of this institution is perhaps limited to the prompt redemption of its circulating bank notes. Other classes having direct interest in its welfare are depositors, annuitants, those holding its life insurances, bills of exchange, cestui que trust, and its stockholders. The number of these when aggregated is so large, the capital wielded by the company is so great, and its transactions are so inwoven with general business operations, that any disaster, or even want of prosperity, must affect the whole community, and thus the public have *indirectly* a large interest in its success. The legislature, therefore, were well justified in providing checks, against maladministration, in the careful and systematic superintendence of the supreme court, and in exacting from the master, for the benefit of these classes, the expression of his opinion how their interests are affected by the company's management. The liabilities of the company, other than to its stockholders, consist in its unredeemed circulation, its deposites and floating bills, its obligations for life insurance and annuities, and for money received upon trust. These liabilities should be met by its cash on hand and current receipts from its active loans on personal security; but the reserved fund to meet contingencies, to supply losses, and to secure these creditors from the risks and vicissitudes of business, is the investment of $2,000,000 of the subscribed stock ordered to be held in bonds and mortgages. The master commissioner has inquired if these respective classes of means have been preserved, and he expresses the opinion that although the last ten years for which the company has subsisted have been of
866 peculiar peril to such institutions, and although large losses have occurred and a portion of means once active have become dormant, yet the capital of the banking department, and the loans on personal security in the other department, remain nearly or quite of their nominal value; that the means of the company, while it continues its customary operations, are abundantly adequate to meet all engagements of its ordinary business; that the investment of stock in bonds and mortgages continue substantially unimpaired in value, and are entirely adequate to repair all probable losses; so that those that hold the engagements of the company have much ampler security than the experience of business men ordinarily regards as sufficient to insure debts.

The master commissioner is unable to answer whether the institution has suffered losses enough to impair the value of the stock, but he believes the capital is now nearly, perhaps quite entire, and that the profits of a few years prosperity will at all events relieve it from the suspicion of depreciation. The following may be numbered among the advantages which the public derive from the operation of such institutions, beyond those depending upon the introduction and employment of so large a capital in the west, both in general business and as an agent of exchange, viz: the safe-keeping of money; convenient payment of large sums by the transfer of credit; aggregating and bringing into daily use smalls sums in the hands of individuals, which would be otherwise unemployed; the safe and productive keeping of funds belonging to unsettled estates or in litigation, the means for the endowment of widows, for marriage settlements, advancements, and the

whole system of annuities and life insurances. The necessity for
867 these accommodations are among the wants of civilization and of increasing commercial intercourse, for which society must in some form make provision.

The legislature of 1834, besides nine new banks, created this institution with large capital, ample powers, and different checks and safeguards for the purpose of meeting this demand. By reason of its locality, the long endurance of its charter, its credit, its fair productiveness without the temptation of incurring large risks, by its adherence to safe usages, by the experience and prudence of its officers, it ought to remain exempted from many perils incident to banks of circulation, and should become the great regulating, controlling financial organ of the west. The master commissioner finds no reason to suspect that any of these conditions of its prosperity are absent, and he expresses the hope and belief that a long course of honorable usefulness lies before it through its large capacities, its unstained credit, and the sagacity, honesty, and prudence of those who may be interested with its administration.

The master commissioner respectfully submits herewith proposals for certain alterations in the general order of provisions, which are either inconvenient or inapplicable.

E. LANE, *Master Commissioner.*

Columbus, Dec. 1, 1845.

Proposed alterations in the general order relating to the trust company.

I. Substitute: The amount of loans in the trust department secured
868 by mortgage not including interest specifying—

1. The number and aggregate amount of loans in each county in classes of $300 and less, $500 and less, $1,000 and less, $5,000 and less, $10,000 and less, and above $10,000.

2. The estimated value of the land mortgaged.

3. The number of cases in which interest is delinquent, and the amount of such original loans.

4. The number and original amount of loans which have been prosecuted.

II. Substitute: The amount without interest in the trust department to individuals not secured by bond and mortgage or pledges of stocks, omitting loans to corporations, specifying as above.

III. Substitute: The amount without interest of loans to individuals upon pledges of stock, specifying kinds of stock, amount loaned to each, the nominal and (if known) the market value.

IV. Omit 2 and 3 and add 2; number and original amount of loans delinquent.

V. Substitute: The amount of deposits in trust department, the number of depositors, and the amount of monies deposited on trusts for accumulation.

VI. Omit No. 6.

VII. Omit No. 5.

X. Substitute: A statement of the real estate held by the company for the transaction of its business, and an estimate of its present value; like-
869 wise a statement of the real estate acquired and held by the company for the transaction of its business, and an estimate of its present value; likewise a statement of the real estate acquired and held by the company in payment of debts, showing its costs and the amount for which it was taken and its present value.

XVI. Alter so as to read: The amounts due from individuals or corporations other than loans, specifying, &c., &c.

XVII. Alter: List of names of persons having balances of accounts amounting to $10 and upwards, &c.

XVIII. Omit 5, alter 15 as follows: The amount of debts charged within the year to profit and loss as bad, and the amount of any debts contained in the said statement known to be bad or believed to be uncollectable.

870 *Report of the master commissioner in the matter of the Ohio Life Insurance and Trust Company.*

To the judges of the supreme court of Ohio:

In compliance with the order of the supreme court in bank, at the December term, 1846, the undersigned, special master commissioner, appointed to examine into the affairs of the Ohio Life Insurance and Trust Company, begs leave respectfully to submit the following report:

On Wednesday, the 19th day of May, 1847, I repaired to the office of said trust company, in Cincinnati, and commenced a careful and rigid examination of the books, papers, and vouchers of said trust company in said office, which was continued from day to day until the 29th day of May instant.

In pursuing the examination it was deemed more convenient to investigate each department separately, and I therefore proceeded with the trust department first, and for the sake of uniformity adopted the course suggested in the order of reference and reports of the company. The examination was pursued by a careful investigation of the books in relation to each separate branch of business as classed in the report. After ascertaining that the books of the company were in conformity to the report, and in every instance sustained the same with perfect accuracy, I then tested the correctness of the books themselves by selecting certain items, taken promiscuously from each of said accounts, and examining the vouchers and original
871 elements composing each separate item which constituted the entry under consideration.

I then proceeded to examine the books, vonchers, and securities relating to "loans to individuals not secured by bond and mortgage or pledges of stocks," and found the amounts properly and accurately set forth in the report. Under this head the order of court requires the report to contain—

1. "The times of credit—on demand, or within six months, or for six months or longer," and

2. "The number and original amount of loans delinquent," which classification is by inadvertence omitted in the report.

The examination was pursued of loans upon stocks and upon real estate other than loans of the capital of said company, and also the amount of deposits in the trust department, other than trusts of accumulation, and the entire details were found to correspond with and sustain the abstract as exhibited by the report.

By the 11th section of the charter it is provided that every trustee shall be a stockholder in said company to the amount of five thousand dollars at least, and that the seat of every trustee ceasing to be a stockholder to that amount shall be considered vacant. In the examination of this branch of the subject it was found that J. J. Palmer, of New York City, one of the trustees in class No. 2, has ceased to be a stockholder to that amount, and consequently his seat as such trustee has become vacant. The 19th section of the charter of the company, after specifying the manner in which certain funds may be invested, provides that "said company shall not hold stock in any one private incorporated company beyond twenty-five thousand dollars." By reference to the balance sheet of the 31st of October, 1846, I find the item of forty-five thousand dollars of bonds of the Little Miami Railroad Company, charged therein as belonging to this institution. It may be that in this there is no breach of the letter of the charter; but if that clause was introduced to guard against heavy contingent losses by the company,

872 I respectfully submit to the court whether it is not at least an infraction of its spirit. In connection with this branch of the subject your commissioner deems it to be but an act of justice to the company to say that, from all the information he could derive from the officers of the institution and others relative to the value of the bonds of said railroad company, and their safety and productiveness as an investment, he is satisfied that the company or the public have no occasion to fear loss from this source. The books and papers were examined relating to the loans of trustees under the restrictions of the 17th section of the charter, and such other evidence was obtained as satisfies your commissioner that there is and has been a compliance with this provision of the charter in that particular. In the same order the examination was continued through the report, and the same system of testing the accuracy of the books was adopted as in the preceding cases—all of which resulted in sustaining the correctness of the report, and its conformity to the order of the court with which it assumes to comply.

The examination under the report of October 31st, 1845, was pursued at the same time and in the same order by taking alternately examples from each report of the transactions of the proper year, the results of which were alike satisfactory with those of 1846.

The examination was then pursued in relation to the banking department; and after a careful and rigid examination of the books and vouchers of the institution, sustained by the oaths of the officers and principal clerks of the institution, your commissioner is enabled to report that its affairs are 873 managed with prudence, ability, and "safety;" that the standing rules relating to this department have been faithfully observed; that more of its outstanding debts in proportion to the amount of its business than could reasonably be expected, are active and available, as contradistinguished from dormant or unavailable means; that no issues or evidences of debt have been issued in forms not permitted by law; no issues or evidences of debt have been issued payable in anything but money or otherwise than on demand, except certificates of deposit for limited periods on interest, as distinguished from general deposits under the rules of the company; no transaction, usage, or act of the company has come to the notice of the commissioner which is unauthorized by the charter or prejudicial to the public interest. Under this head your commissioner deemed it proper to make a more extended enquiry than could be effected by an examination of the books and documents of the company, and accordingly examined under oath the president, cashier, and discount clerk of the banking department. This investigation enables the commissioner to state that no greater rate of interest than six per centum per annum has in any case been charged upon discounted paper; that no part of the funds of said institution are directly or indirectly employed by the company or any of its officers or agents as brokers, except in the manner specified in their report; and that they are not either as individuals or as a corporation engaged in any other business "either prohibited by or contrary to the policy of the laws of this State, or calculated to affect the credit of said company." It may be proper here to observe that in construing that portion of the order above referred to, the commissioner chose to understand it as referring to the institution 874 itself, and its dealings through its officers with the community, and not to any moral derelictions of the officers as prohibited by the general laws of the State.

As appropriately belonging to this head your commissioner would state that in the course of his inquiries on the subject of "aid and comfort" to brokers, bankers, &c., he was shown by the officers certain proceedings of the board of trustees, a copy of which, as taken from their journal, is herewith submitted, and as to the truth of which he examined the officers under oath.

"The Ohio Life Insurance and Trust Company,
"*Cincinnati, October 27th*, 1841.

"The board met on the call of the president.

"Present: Samuel Fosdick, esquire, president *pro tempore;* Messrs. Burnet, Disney, Baldridge, and Miller, trustees.

"On motion of Mr. Disney the following preamble and resolution was adopted, viz:

"Whereas a paragraph has appeared in Bicknell's Reporter, and copied in one of our city newspapers, intimating that this institution is in some manner connected with the resuscitation and operations of the Bank of the River Raisin, in the State of Michigan; and whereas this institution has never, either directly or indirectly, in any manner or form, had any transaction, negotiation, or agreement with the aforesaid bank or its managers, nor has any such matter been ever presented or agitated by this board: Therefore—

"*Resolved,* That the president be directed to publish an official disclaimer and emphatic denial of any knowledge, agreement, or participation of the Ohio Life Insurance and Trust Company with the Bank of the River Raisin, or its managers, or any person interested therein.

"On motion of Judge Burnet,

"*Resolved,* That in the opinion of this board it is improper for any officer or agent of the Ohio Life Insurance and Trust Company to be connected, directly or indirectly, in the business of a broker or in the management of any other moneyed institution.

"And the board adjourned.

(Signed) "SAM'L R. MILLER, *Secretary.*"

875 It is the opinion of the commissioner that the affairs of the company are conducted with honesty, ability, and integrity, and that the prudence, safety, and productiveness of its investments are such as to commend the institution to the favorable consideration of the public. From the doubtful manner in which the commissioner who preceded me in the examination of the affairs of, speaks of the losses of the company and the consequent value of its stock, and the "safety of those holding its engagements," I have been induced to devote to that branch of the inquiry a more careful and extended examination than would otherwise have been given to it, and the result is an unyielding conclusion of the safety of the stock, and the solvency and ability of the institution to meet promptly all its liabilities, leaving its capital unimpaired.

As the confidence of the public must in a greater or less degree depend upon the reputation of the institution for its solvency and ability to pay its liabilities, I have thought it my duty to submit some of the reasons that have induced the above conclusion. All losses as soon as ascertained are charged to account of profit and loss and deducted from the assets of the company. Besides which there are a number of instances in which real estate or other securities have been taken in full payment of debts due the company and charged upon the books at the prices thus taken. Subsequent events have in some instances determined, and in others the trustees have presumed from reliable information, that these securities were not worth the nominal sums at which they were taken, and have deducted from those accounts such sums as is believed bring them in most instances to their actual value—the excess between the nominal and true value being
876 charged to profit and loss. After making all deductions as above stated there still remained on the 13th of May instant an excess of assets over and above all liabilities, including the capital stock, of $321,752 57. This amount is confidentially believed to be more than sufficient to cover any probable losses which can be reasonably or fairly anticipated. If further

proof is necessary in order to satisfy the doubts of all it may be found in the fact that the stock of this company is sought after at par, and even at a premium, by persons who have the most ample means of judging of its value and safety as an investment.

When we take into consideration the extent and magnitude of the dealings of the company, and that in the purchase and sale of the single item of bills of exchange alone, their transactions amount to over ten millions of dollars for the year ending with the last report, and that the balance of their suspended debt up to the same period is only one hundred and twenty thousand dollars, which has since been reduced to about $70,000, (much of which is of long standing,) it becomes difficult to resist the conclusion that in the management of its affairs its officers have exhibited more than ordinary skill and prudence, and those "holding its engagements" have in this alone a strong quantity of the safety of the institution. In relation to the advantages and disadvantages which result from its dealings to the public and to the various classes of individuals and corporations, and its effects upon the business operations of the community, your commissioner has no means of judging other than such as result from the fact that the business of the company is, and has been for a series of years, regularly in-
877 creasing, which in the opinion of the commissioner is evidence that it possesses the public confidence, and its effect upon the business a salutary one.

The 27th section of the charter requires the trustees on the first Monday of January and July annually, to make and declare a dividend of the profits of the company. This renders it indispensable that at those periods the books of the institution should be balanced, while the present order of the court requires the annual report to be made the last day of October, thus selecting a period midway between the two balances and requiring much unnecessary labor both to the company and to the commissioner making the examination. I can perceive no good reason why the time of making the annual report should not be changed so as to adopt one or the other of the periods at which those balances are struck, and as more convenient I respectfully suggest a change in this respect to the first Monday of July.

In closing this report it gives me much pleasure to be able to state that my labors have been essentially diminished by the facilities so promptly and cheerfully afforded by the officers and clerks in the several departments of the institution.

All which is respectfully submitted.

Cincinnati, May 29th, 1847,

JOHN C. SPINK,
Special Master Commissioner.

878 *Report of the master commissioner in the matter of the Ohio Life Insurance and Trust Company.*

To the judges of the supreme court of Ohio:

In obedience to the order of the supreme court in bank, made in December term, A. D. 1848, the undersigned, special master commissioner to examine into the condition of the Ohio Life Insurance and Trust Company, respectfully submits the following report:

On Saturday, the 9th of June, 1849, the commissioner repaired to the office of the company in Cincinnati, and commenced the examination of the original books, documents, and papers of the corporation in possession of its officers so far as he believed it to be necessary to carry out the object of his appointment. This examination was continued from day to day, during business hours, until the 15th of the same month. Commencing in the trust

department the correctness of entries, promiscuously selected, was tested by calling for and comparing with them the vouchers and accounts on which such entries depended for support. This was readily done, and appeared to the commissioner to be the most convenient and accurate method of arriving at certainty as to the correctness of the books. In pursuance of said order the last annual statement of the company, filed in Nov., 1848, was subjected to the same tests of examination. Items here and there throughout the entire statement were selected, and corresponding
879 entries on the books of the appropriate department, and documents and vouchers produced, and when necessary such explanations given that the commissioner was satisfied the statement was not only designed to, but does in fact, "contain a full and true account of the several matters required by the order of the court with which it assumes to comply." It is proper in this place to remark, however, that the balance sheet of this institution, which forms a part of said annual statement, cannot in the nature of things present its actual condition. The true value of its real property, the availability of its suspended debt, and other assets not coin nor readily convertible into money, are and can be only matters of judgment, and it is not improbable the opinions formed on these subjects by its officers as given in said statement will not be found to be justified by results.

Under the order for the specific examination of the banking department, in the particulars therein named, the commissioner sought all the information he deemed advisable, and to the 12th June, 1849, its books, papers, documents, and vouchers were examined as in the trust department and found correct. Rumor had fastened upon the company heavy losses in London, Nashville, and other places calculated to affect its credit, and the interests of both departments are so connected that derangement in either destroys public confidence in both. A note was therefore addressed to the president requesting him to furnish the master commissioner with a condensed statement of the condition of the company on the 1st day of June, 1849, and particularly the probable extent of its losses by the failure
880 of Gower Nephews & Co., of London, whether anything would be realized from the Nashville Ins. and Tr. Co., and the probable amount. Information was likewise sought as to the then condition of a large claim against Prentiss Dow, formerly of Cleveland, and whether any part of it had been secured and would be realized to the company. Also whether the company had sustained other and what considerable losses since its last annual statement was filed, whether from the depreciation of property in the several counties in this State losses would not occur, whether real estate security for loans in many instances from over valuation when such loans were made were not then deemed inadequate security bythe agency for the respective amounts thereof, and lastly whether the cashier of the co. in N. York still continued to act under the instructions of the 16th of October, 1847, and if not, what were the changes made. To this note answer was promptly received with the condensed statement desired of the condition of the company on the 17 June, and also on the 1st Jan., 1849, which is filed with this report and marked "A."

In answer to the note of the master commissioner, the president stated that a suit had been commenced against the Nashville company and its stockholders, the result of which could not then be foretold; that the stockholders were able to respond, one house being amply sufficient for the entire claim, and that a small dividend might yet be realized from the estate of Gower Nephews & Co., that the losses sustained since the 1st Nov., 1848, were trifling with the exception of certain bills of exchange on Curtiss & Buddendorf, of New Orleans, amounting to $17,000, which was em-
881 braced in the item suspended debt, and judgment obtained against the parties to these bills.

In several cases where the company had been compelled to foreclose mortgages, and buy in the land, losses had arisen; that most of these were loans made during the inflated years of 1835 or 1836, when every description of property was overvalued; but that since the last valuation of property for tax in this State it had been required of agents through whom applications for loans were made that they should give the company the value at which the property proposed to be mortgaged stands rated by the assessors, exclusive of any improvements; and with this guide, and the opinion of the company's agents, he thinks no great error will in future be committed in fixing upon the amount to be loaned, and states it as a rare case that the company now loan more than one half of the tax value, exclusive of improvements. He furthermore adds that the net earnings of the company for the six months ending on the 7st January, 1849, amounted to $106,301 90; that it is not the intention of the board of trustees to declare any dividend on the first of July, 1849, which is the regular dividend day, and gives his opinion on that day the stock of the company will be sound and unimpaired, and that a dividend may be made on the first of Jan., 1850, of three per cent., reserving a surplus of some $20,000. He likewise states that the cashier of the company in N. York acts under the same or similar instructions to those referred to, and gives a copy thereof, which is filed with this report, marked "B."

The commissioner next addressed a second note to the president, with reference to the banking department, mainly that he might elicit such information as would enable him the more satisfactorily to report on the
882 different matters embraced in the order for the specific examination thereof. In this note the master commissioner requested to be furnished with a condensed statement of the banking department of the company, with its condition to as late a period as practicable without delay or inconvenience: 1. The results of the balance sheet. 2d. Its liabilities and assets. 3. What proportion of its debts were dormant or active. 4. Whether there had been any exceptions to a strict adherence to the standing rules of the department. 5. Whether any issues of evidences of debt not payable in money and on demand had been made since the 1st Nov., 1848. 6. Whether he had any knowledge that either department of the company, or any officer or agent connected therewith, is or had been since the 1st Nov., 1848, engaged in any business prohibited by or contrary to the policy of the laws of Ohio, or in his opinion calculated to affect the credit of the company. This note was replied to promptly, and the statement furnished, and the information sought communicated by the assistant cashier, and the statement, marked "C," is herewith filed as a part of this report. The answer to this note bears date on the 13 June, 1849, and shows the general condition of that department to the day previous in every essential particular, when taken in connection with the condensed statement of its affairs, which exhibits its liabilities and assets. The two items in this statement as suspended debt and judgments, the assistant cashier asserts, give the amount which may be considered dormant or inactive, and to which may
883 probably be added the item of real estate in Buffalo, N. York, as it is unsold, and consequently inactive. He also adds that since the 1st Nov., 1848, he believes the standing rules of the department have been strictly adhered to, and that there had not been any evidences of debt issued by the company not payable on demand and in money; neither had he knowledge that any officer in either department of the company, or any agent connected with it, was or had been since the period above alluded to, engaged in any business prohibited by or contrary to the policy of the laws of Ohio, or calculated to affect the credit of the company. On the next day the president addressed a note to the master commissioner, in which he says the con-

densed statement presented you shows a probable balance of $4,121 19 on the 1st of June, which may be considered as a surplus fund to that amount. The statement shows the earnings of the company the past five months. The earnings of the present month will be mainly absorbed by the six months interest, $14,500, which becomes due this month on the bonds of the company, $600,000—

$400,000 at 5 per cent. is	$20, 000
$200,000 at 4½ per cent. is	9, 000
	½)29, 000
	14, 500

Which bonds compose the capital of the banking department; and that on the 1st and 15th of every month the earnings of the banking department were transferred to the trust department. The commissioner sought numerous private interviews with gentlemen of the highest respectability in Cincinnati, friendly, and opposed to the institu , and on all occasions re-
884 ceived the concurrent opinion that its government was wise and prudent; that in its varied and multiplied transactions it was conducted with ability and integrity, and that no well-grounded apprehension could with reason be entertained that it would not continue promptly to meet the expectations of all holding its engagements, and from the best lights he could obtain, the master commissioner is led to the same conclusion. It is also his opinion that the productiveness of the investments of the company, as shown by its earnings for short periods in document marked "A," are at least equal to reasonable expectations. So far back as he was led by his examinations and enquiries, the master commissioner believes the management of the banking department safe; that its standing rules have been strictly adhered to; that a small portion of its debts only are inactive, as shown by document marked "C," and that no issues of evidences of debt have been made in form not permitted by law, or payable in any other thing than money and on demand, except certificates of deposit, payable at limited periods, bearing interest, and falling within the provisions of the charter of the company.

The master commissioner was unable to learn that the company, or either of its officers or agents, were or had been engaged in any business prohibited by or contrary to the policy of the laws of Ohio, or calculated to affect the credit of the company.

The mas. com. is entirely unable to form any opinion as to the advantages and disadvantages which result from the dealings of the company to
885 the public, or to the various classes of individuals and corporations; nor can he estimate its effects on the business operations of the community.

There are subjects which have divided the public mind, and upon which the best informed entertain different views. This institution is not liable to some of the objections urged against ordinary monied corporations. It is no longer a "bank of issue," and it has a solid capital; yet, nevertheless, should its government in times of great confidence and prosperity listen to evil counsels, and be conducted for but a limited period with folly and indiscretion; should its vast means be so placed that the institution could not keep its own engagements without a general call for its debts at any one stated period hereafter, it is doubtful whether the sacrifices and distresses produced throughout the entire community would not more than equal any advantages derived from it. The commercial, agricultural, and manufacturing interests of our community are more or less dependent on its continued prosperity, and when that fails its influence must be felt for evil.

These suggestions, however, might more properly have been addressed to the creating power which gave this institution existence, and is yearly creating others with extensive and alarming franchises, had not an opinion been directed in the order of the court. It may also be added that while the government of this company shall be, as it has been, conducted with energy, prudence, fidelity, and even liberality, no great, sudden evil can well arise from the management of its affairs, and temporary convenience and
886 benefit will often be felt throughout the entire community.

The master commissioner would here remark that the books in each department are kept with the most creditable neatness and regularity, and that the officers of the institution furnished every aid to assist him in his examinations.

R. WOOD, *Mas. Com.*

887 A.

Condensed statement of the condition of the Ohio Life Insurance and Trust Company on the 1st *of January*, 1849.

Dr.

To am't of loss sustained by the failure of Gower & Co., London	$437,115 20
To am't of the indebtedness of P. Dorr, L. Dow & Co., and D. Johnson, transferred from the New York office	162,552 33
To am't due from the River Raisin Bank, in New York.	592 05
To am't of balance due the co. in New York from J. B. Macy	1,748 76
	602,008 34

Cr.

By am't of surplus fund on hand this day	$511,601 61
By estimated value of securities rec'd from P. Dorr and D. Johnson, now held by this company	72,552 33
	584,153 94
By balance to debit of new ac	17,854 40
	602,008 34

Cincinnati, Jan'y 1, 1849.
E. E.

C. STETSON, *Pres't.*

888 *Condensed statement of the condition of the Ohio Life Insurance and Trust Company on the* 1st *June*, 1849.

Dr.

To balance per annexed ac	$17,854 40
amo't additional loss estimated by P. Dorr and P. Dow & Co	20,000 00
amo't ditto by D. Johnson	20,000 00
amo't probable loss in winding up the sales of property at Buffalo	15,000 00
suspended debt in banking department	42,000 00
judgments worthless	5,000 00

depreciation on Wooster notes now on hand	$2,000 00
amo't of overdrafts and forged checks	3,800 00
amo't of interest estimated as due to depositors in the trust department	18,000 00
amo't of probable loss to be sustained on sale of securities received from the Nashville Insurance and Trust Company	29,500 00
	173,154 40
To balance being probable amo't of surplus fund this day	4,121 19
	177,275 59

889 CR.

By am't of net earnings from the 1 Jan'y, 1849, to the 1 June 1849, 5 months	$104,275 59
loans of capital, but not yet collected, estimated at	40,000 00
am't of interest earned on other loans in trust department, estimated at	10,000 00
am't of interest earned in banking department on bills receivable, estimated	8,000 00
am't of the value of real estate now held by the co. over the cost of same, estimated at	15,000 00
	177,275 59

Cincinnati, 1st June, 1849.
E. E. C. STETSON, *Pres't.*

890 C.

Statement banking department, Ohio Life Insurance and Trust Co., at June 12th, 1849.

Notes and bills discounted		$1,034,737 66
Bills receivable, (on interest)		119,806 05
Suspended debt		65,290 04
Judgments		51,302 20
Real estate, Buffalo		42,215 07
Ohio State bonds		22,142 40
Due by trust department		260,998 70
Due from banks in Ohio		20,631 47
Due from other banks		24,798 09
Due from agencies		33,581 24
Cash, viz: b'k notes	$230,046 00	
specie	47,495 58	
		277,541 58
		1,953,044 50

Deposits used as capital	$611,226 00
Circulation	6,850 00
Profits	41,360 22
Due on cert. deposit accounts	532,349 77

Due to State and county officers	$10, 361 97
Due to banks in Ohio	41, 039 57
Due to other banks	119, 842, 79
Due to New York agency	589, 174 18
Bills payable	840 00
	1, 953, 044 50

The liabilities of all the trustees of the company amount to $181,421 00; whereof in trust department $105, 400, banking department $76, 021.

S. P. BISHOP, *A. Cash'r.*

Cincinnati, June 13, 1849.

890½ *Report of the master commissioner in the matter of the Ohio Life Insurance and Trust Company to the judges of the supreme court of Ohio.*

To the judges of the supreme court of Ohio:

In compliance with your order, made in bank, at December term, 1849, I have the honor to submit the following report: That on the 17th inst. I repaired to the office of the Ohio Life Insurance and Trust Company, in the city of Cincinnati, and proceeded to examine the original books, papers, and documents of said company, and continued said investigation until satisfied that no further examination, to enable me to accomplish the object of said order, was necessary or useful. I have made a full and fair examination of the affairs of the company, and its management, during the period embraced by the last annual statement, and feel safe in reporting that it contains (the unintentional errors of omission, hereafter referred to, only excepted) a full and true statement of the several matters required by the general order of A. D. 1846, as that order was heretofore understood.

In making my examination, the officers and agents of the institution have cheerfully afforded me every facility required. I have witnessed no appearance of a disposition to conceal any document, book, or paper, or to withhold any desired information. On the contrary, the ready access given to all means of information and the prompt production of files and
891 vouchers, when promiscuously called for, to verify verbal explanations or otherwise, seemed to exhibit on their part a creditable degree of personal confidence in the integrity and ability with which their several duties had been discharged, and also showed, what is in fact true, that the business affairs of the company have been reduced to an orderly system, so that everything may be found by looking for it in its proper place.

The business of the insurance and trust department and of the banking department are kept distinct from each other, as much so as if they were conducted by different associations, instead of being under the general control of the same board of officers and under one roof. This is as it should be.

In making my investigations I compared the annual statement with the books of the year preceding the 31st day of October, 1849, the day from which it dates, and finding them to correspond, for the sake of testing the items, I at chance selected a sufficient number of individual items under each head, and called for the files and traced them back to their origin, examining all the papers. Finding them as they should be, I feel that the loans upon bond and mortgage are and may, upon the oaths appended to the annual statement, be taken as truly represented in said statement.

The several loans of capital stock which make up the sum of
892 $2,007,249 92, were uniformly made with care, after a full abstract of the titles to the land taken as security had been prepared by the local agent, and examined and approved by the solicitor of the company.

Real estate, to the amount of $25,489 90, has been purchased on decree in satisfaction, either in whole or in part, of loans made upon bonds and mortgage. I think no great loss can occur on this account. On reselling the lands generally bring more than the price at which they were bid in. Some years ago at certain points, the lands taken to secure loans of capital were over-estimated by the local agents, and possibly by the public, and in making collection after the late bankrupt law began to exhibit its true character, the trust company were compelled to purchase the lands of bankrupts, and abide the results of a resale. The losses sustained in this way are less than I expected, and I think will, to some extent, be repaired by profits on a resale of the property which they now hold.

In the operations of the last year there is no reason to apprehend a serious loss by loans upon the security of real estate, of either the capital stock or any other fund. I feel warranted in reporting that this branch of their business is conducted with skill, prudence, and integrity, and that the capital of two millions of dollars is safely secured, and may be realized without any severe loss at any time, when we have reason to expect it may be required. The order with which loans are made, and the care that is taken to make suitable investments are such that, it seems to me, stockholders, creditors, and the public may rely with entire confidence upon the safety of the capital in almost any state of monetary affairs. Should there ever happen any considerable loss of capital, it must come from some disastrous change in the general state of the currency throughout the Union, by which the amount shall be so reduced as to result in reducing real property nearly fifty per centum below its actual worth, or else from committing the affairs of the institution to the guardianship of skillful and faithless agents.

Intimately connected with this duty, and of vital importance to the security of the company's funds, is the selection of local agents. The board of trustees have learned this by experience, and whenever improved selections can be effected, will be disposed to make them, and to procure changes as often as prudent caution will enable them to act advisedly in a matter of so much delicacy and importance.

The company must, from necessity, rely very much upon information obtained through them, especially in loaning money, estimating the value of securities, collecting interest, extending the times of payments, and
893 collecting and reinvesting the capital. From personal knowledge, I should think the agents in Ohio were generally safe and prudent men. It should hardly be expected that in all instances they were the best that could have been expected. It is probable some improvement may be made; time will test that. The amount, exclusive of interest, loaned not on the security of stock pledges, or of bond and mortgage, was reported correctly at $8,873, and the investment is legal and safe. The amount of $131,617 48, loaned on pledges of stock, is correctly stated and well secured; also the sum of $455,667 53, loaned on notes secured by mortgages. These loans are made with the same care that characterize the loans of capital stock, and the observations made concerning that item may be regarded as applicable to this.

The anuual statement, in answer to the 4th and 5th requisitions of your order, was verified by examining the items on the books, with the exception of the item of $1,191,562 26. In reference to this aggregate, embracing, as it does, the deposits standing on the books on the 31st October, 1849, too much time would have been required to go through a set of books embracing the whole operations of a year, and select the amount of debit standing on a given day, for this class of deposits is constantly varying at the rate of from two to three hundred thousand dollars per annum.

To satisfy myself of the accuracy of this item, after calling for the books

and receiving the explanation of the bookkeeper, and his original minutes, from which the same was found, I took, and herewith annex, the affidavit marked A. There were evidences of claims to the amount of $21,188 50 entered under the head of loans to corporations, and I think the claims are safe, and the security ample. Yet, in my judgment, your order has been heretofore misunderstood, and that the item of $11,688 50, carried into the statement as a loan to the commissioners of Fairfield County, should have been omitted here and embraced under article 14, as a sum due from a corporation other than a loan. Touching this subject, see Mr. Rice's letter, hereto annexed, marked B, which briefly notes the character of that item. The item of suspended debt of $68,503 36, in the trust department, originated in certain operations of the agency in New York, transferred in December, A. D. 1848, and will be found briefly, but correctly, exhibited in the annexed statement of the president, marked C. It is a ballance, supposed collectable, of sundry bad claims, transferred from the banking de-
894 partment, the residue having been charged to profit and loss. I am of opinion the amount will be realized, and something more, so as to reduce to some extent the amount charged upon the book to profit and loss, and now not regarded as assets. The item of $110,409 40, being the aggregate of stock owned by the trust department, was correctly stated in the last annual report. Of the stock comprising this aggregate, the 240 shares of the company stock have since been sold for $24,720.

The $15,000 of the bonds of the city of Dayton were, by mistake, stated as 15 bonds of $1,000 each. There were but 3 bonds of $5,000 each, and they should have been entered, not as a loan, but under article 14. (See letter of Mr. Rice, marked B.) These bonds are drawing 8 per cent. interest, and the company were not authorized to loan money at that rate. The true character of this proceeding is, as shown by the original files, a purchase from an individual of securities held by him against the city of Dayton, and for this purchase the trust company have authority in their charter.

I am of opinion that all of the investments in stock, embraced in the item of $110,409 40, are secure, and that a profit will be realized from them.

The real estate occupied by the company as a place of business cost $79,498 27, and upon their books stands charges as available assets, at $35,000, the cost having been reduced by applying, (June 29th, 1844,) from the surplus fund $39,498 27, and on July 24th, 1845, the further sum of $5,000. This property is now estimated by good judges of real estate in this city to be worth nearly what it cost. In this opinion I concur.

Of the two tracts of land taken in payment of bonds and mortgage, one being in Cuyahoga County, of 86 acres, and one in Allen County, of 80 acres, I can say nothing certain. They cost $1,691 83, and may bring that sum or may not. The notes, bills, &c., carried to the account of profit and loss, and reported at $891,192 85, embrace the aggregate of all the bad debts charged to that account which have accumulated since the institution commenced business. These items have been examined by former masters, and I deem it unnecessary to go into a detailed statement concerning them. $437,115 20 of this loss resulted from the operations in 1846 and '47, of the New York agency, while conducted by a gentleman now in the employ of the company, and arose from transactions with the Mechanics' Insurance and Trust Company of Nashville.

The Ohio Life Insurance and Trust Company still have reasonable hopes of realizing some $100,000 or more from the Nashville claim. (See
895 explanation, Rice's letter, B.)

The company have prudently refrained from impairing the security of the public, by not declaring dividends until their capital has been made

good by the profits arising from those transactions which have proved successful. Reasonable dividends may be expected hereafter to be declared at each period fixed by law, say semi-annually, of 3½ or 4 per cent.

The affairs of the New York agency are now managed by the same person employed the last year, and under the regulations then existing. The remarks of Judge Wood, in the report of last year, renders it unnecessary for me to say more than that this agency appears to be well conducted. My means of judging, however, are derived from the correspondence of this office with that, and the statements of the officers of the institution. Promptness and care are indicated by his letters and balance sheets. I should, judging by his correspondence, regard him a very prudent and discreet agent.

In examining the banking department the last annual statement was first verified by comparison with the books, of which there is a regular series, which are well kept and have the appearance of neatness and accuracy. The continually changing state of the creditors, debtors, and funds of this department, necessarily renders the books the most reliable evidence of the condition of its affairs. It will be obvious to any one that in the banking business the state of the deposits, of the cash on hand, and of the bills and notes received for collection, &c., will be changing from day to day, so that in most things its business on a given day can only be ascertained from the record. To illustrate this I need only to say that throughout the month of May the cash transactions of the bank, as shown by the daily account current, range from $64,500 to $175,000 for every day in the month.

The annexed affidavit, marked D, has been prepared to show the evidence upon which I have acted. I think the standing rules in both departments have been well observed; that the management is safe; that there is no considerable amount of the debts due which are dormant, and that no issues prohibited by law or in contravention of sound policy, have been made. I have every reason to believe, and am of the opinion that the affairs of the company have been for the past year and now are managed with ability and integrity, and I have discovered no evidence that the company or any of its officers are engaged in any business prohibited by or contrary to the policy of the law, or that is calculated to affect the credit of the company.

896 As I am called on for my opinion in relation to the advantages and disadvantages which result from its dealings to the public and to the various classes of individuals and corporations, and its effects upon the business operations of the community, I freely give it. It is that the institution as now conducted is of general advantage to the public, particularly so to the business community at this community. It affords a safe place of deposit at alltimes; facilitates collections, disbursements, and remittance to distant points, and has a tendency to keep stable the rates of exchange at something near the actual cost of such operation, and, since last winter, loans money at a fixed rate and for less interest than most private dealers. It cannot be made to produce with safety so great annual dividends as are made by some of the banks of issue, and therefore to some its stock would be less desirable than that of some of the branches of the State banks, or some of the independent banks. But it may be made to, and I think will, yield such dividends as should satisfy a reasonable man, and as will induce men of substantial wealth, desiring safe investments at all times convertable to cash at par value, to purchase and hold its stock. For my part I would sooner hold stock in a company content with fair profit, than in one where the inordinate desire for large dividends is constantly risking its safety.

Of the advantages or disadvantages of life insurance I need not speak. Suffice it to say that I know of no reason why this institution may not be as

useful in that respect as any other, and I would rely on its ability to pay its policy with as much confidence as on any other of which I have any knowledge, and this without reference to the liability fixed upon the trustees by the 24th section of the act of incorporation.

All of which is respectfully submitted.

M. BIRCHARD, *Spec. Master.*

Cincinnati, O., June 20, 1850.

A.

I, G. W. Rice, being duly sworn, depose and say, that I am a bookkeeper in the office of the Ohio Life Insurance and Trust Company, and familiar with the books in the trust department; that so far as I know they are faithfully kept and truly show the transactions of said department, as by me exhibited to the master during his examination. The last annual statement made to the supreme court, so far as it relates to the trust department, was prepared by me from said books, and I know of no errors or misrep-
897 resentation therein unless those noted by the master as such. I further state that to all his inquiries I have endeavored to make true answers and to give full explanations, whether required of me verbally or in writing.

G. W. RICE.

Sworn and subscribed before me, at Cincinnati, this 20th June, A. D. 1850.

M. BIRCHARD, *Spe. Master.*

B.

OHIO LIFE INSURANCE AND TRUST COMPANY,
Insurance and Trust Department, Cincinnati, June 19th, 1850.

M. Birchard, esq., master, &c.:

DEAR SIR: In compliance with the request expressed in your note of the 18th inst., I submit the following explanations of the several accounts to which my attention was therein directed, viz: The account denominated "bills receivable Bank U. States, No. 1," originated in the purchase from the late Bank U. States of debts secured by mortgages upon real estate assigned to this company. For the accommodation of such of the debtors as desired it, an extension was granted upon condition of their paying seven per cent. per annum upon the amount of their respective debts; whereupon notes drawing seven per cent. per annum were taken in such cases, the securities received from the Bank U. States held as collateral. The account denominated "bills receivable Bank U. States, No. 2," had its origin in the closing up of the "suspended debt" of the late Bank U. States, also purchased by this company, much of which was in judgment. The debtors, in order to obtain time, agreed to pay seven per cent. per annum upon their receivable debts. Accordingly notes to that effect were taken from all such, secured by mortgage upon real estate, made direct to this company. The account denominated "Fairfield County," grew out of a purchase from this company by the commissioners of said county, of Urbana bank notes. In the regular course of business the banking department of this company became possessed of a large amount of the notes of the Urbana Banking Company, which, upon its failure, remained on hand as uncurrent. Afterwards, to enable the commissioners of Fairfield County to pay a debt due from them to said company in their notes at par, the trust department bought from the banking department $12,750 of said notes, selling them to said commissioners at a discount, for which the bond of $11,688 50, secured by county taxes, was taken. The account called "bonds city of Dayton," was

898 a purchase from Joseph Torrence of three bonds of the city of Dayton of $5,000 each, bearing 8 per cent. interest; security, city taxes,

In answer to the last item in your note, I say amount changed to account profit and loss, as reported 31st October, 1848, was	$272, 881 33
Add amount charged within the year, say from 31st Oct., 1848, to 31st October, 1849	621, 703 29
	894, 584 62
Deduct amount collected during the same time	3, 391 77
	891, 193 35
Loss, say, by—	
Nashville Insurance Company	437, 115 20
P. Dorr and D. Johnson	90, 000 00
Sundry protested bills in bank debt, Cincinnati	92, 247 28
Bank River Raisin	592 05
John B. Macy	1, 748 76
	621, 703 29

Most respectfully yours, &c.,

G. W. RICE, *Bookkeeper.*

C.

The amount charged to profit and loss as indebtedness of P. Dorr and D. Johnson, New York, in December, 1848, was		$162, 552 33
Suspended debt was then charged, and profit and loss credited in the sum of		72, 552 33
For which the company held the following securities, claims, &c., amounting to		115, 549 18
	Claims.	Am't realized.
P. Dorr, property in Cleveland	$20, 000	$3, 050 36
Premium Mills, Toledo	10, 000	9, 313 00
Beaumont and Hollingsworth Flour Mills, Zanesville	40, 000	
Steam propeller on Lake Erie	10, 000	5, 661 54
Carried over	80, 000	18, 024 90
Brought up	$80, 000 00	$18, 024 90
Claim vs. Stockwell & Comp'ny	800 00	800 00
Property in Boston, Ohio	1, 500 00	
" " Calhoun Co., Michigan	1, 875 00	
" " Detroit, "	500 00	
Notes of R. G. Parks, secured by mortgage on property in Beaver, Penn., and Youngstown, O.	7, 000 00	
In judgment vs. E. Barnard	800 00	
L. L. Watson's notes	218 15	
Patterson's and Augustine's notes	504 00	
E. & T. Gibson's notes	352 03	352 03
	93, 549 18	19, 176 93
Claims on Lexington Insurance Co., Lexington, Ky.	12, 000 00	
Claims on Hutchinson & Co., Cleveland	10, 000 00	
Amount realized, as above	115, 549 18	19, 176 93

Property and claims yet on hand:

		Value.	
Exchange building, Cleveland		$25,000 00	
Less prior mortgage to Merchants' Bank		9,000 00	
		16,000 00	
	Also lot on Ontario street, Cleveland	1,000 00	
899	Flour mills at Zanesville, say	30,000 00	
	Property, Boston, Ohio	500 00	
Property, Calhoun Co., Michigan		1,000 00	
Do.	Detroit, "	500 00	
Do.	Beaver and Youngstown	5,000 00	
Judgment *vs.* E. Barnard		800 00	
Sundry notes		722 15	
			55,522 15
			74,699 08

To meet the amount charged suspended debt of 72,552 33, exclusive of the claims on the Lexington Ins. Co., and Messrs. Hutchinson & Co., of Cleveland, Ohio, amounting to $22,000.

Cincinnati, June 18th, 1850.

CHAS. STETSON,
President Ohio Life Ins. and T. Co.

D.

I, James R. Lyle, being duly sworn, depose and say that I am principal bookkeeper in the banking department of the Ohio Life Insurance and Trust Company, and familiar with the books exhibited to the special master during his present examination; that I believe said books are faithfully kept, and shows truly the transactions therein noted. The last annual statement, so far as prepared by me, was designed to be accurate, and I am not aware of any errors therein. I further state that I have designed to make throughout said examination true answers and full explanations to all inquiries made of me by said master, and that I have no information of any violations of the act of incorporation, of public policy, or the regulations of the company, since the examination of Judge Wood, in 1849.

JAMES R. LYLE,
General bookkeeper O. L. I. and Trust Company.

Sworn to and subscribed before me this 21st June, 1850.

M. BIRCHARD, *Special Master.*

900 To the supreme court of the State of Ohio:

The master commissioner to whom was referred for examination the report of the Ohio Life Insurance and Trust Company, of its transactions for the year ending the 30th day of October, A. D. 1850, submits the following as the result of his investigations.

The capital of the company as shown by the report and the books wherein its transactions are recorded, consists of the following items:

The capital stock paid in	$2,000,000 00
Deposites drawing interest from 3 to 5 per cent	1,212,396 48
Making in all the sum of	3,212,396 48

Of these deposites $611,226 are transferred to the banking department, which will be noticed particularly in another part of this report.

First. *Of the insurance and trust departments.*—The charter of the company requires the "whole capital stock to be invested in bonds or notes at a rate of interest not exceeding seven per cent. per annum, and secured by unincumbered real estate within the State of Ohio, of at least double the value in each case of the sum so loaned, and not more than one fourth of which capital shall be loaned on real estate in any one county." The company by its last report to the supreme court shewed a compliance with this provision of its charter as near as it is practicable to do, having within a few thousand dollars of its whole capital so invested. In order to
901 test the accuracy of the company's report, a comparison was instituted in a large number of cases by taking promiscuously from the files of the office the original evidences of such investments, and tracing the correspondence between them and the tabular statements of the report. In the comparisons and examinations thus made the report was found to be all it assumed, and therefore it was not deemed necessary to examine in detail each particular loan, but the conclusion is satisfactorily attained that the company has invested of its capital stock one million nine hundred and seventy-one thousand three hundred and twenty-three dollars and ninety-three cents in bonds and mortgages, secured by liens on unincumbered real estate within the State of Ohio in value of more than double that sum.

Your commissioner being satisfied by the method above indicated of the correctness of the company's report in regard to the investment of its capital stock, proceeded to the examination of another description of investments, which consists of loans made on the hypothecation of stocks, notes secured by mortgages on real estate, and notes with personal security only. These are as follows:

On stocks	$98, 985 48
On notes secured by mortgages	406, 665 57
Notes with personal security only	18, 109 38
Making in the aggregate	523, 760 43

These investments, in the opinion of your commissioner, are amply secured, and the certificates of stock, the notes and mortgages upon which the
902 same were made, are found to be duly transferred and assigned to and in possession of the company. Of this sum loaned upon the hypothecation of notes secured by mortgages on real estate, one hundred and thirty thousand and sixty-nine dollars, nearly one third of the whole, is in the hands of two persons. Although the security given by them may be sufficient, and in the opinion of your commissioner it is, yet in his judgments these loans should not have been made. Next to the want of integrity in the managers of the moneyed institutions of the country, nothing has, in the opinion of your commissioner, contributed more to the bankruptcies that have occurred and are occurring almost daily, than the investment of large sums in the hands of a few individuals. It may be said that these views in their general application to moneyed corporations are correct, but are not so when applied to the one under consideration, because, as it will probably be alleged, the object of its creation was to draw capital within its reach to be permanently invested, and hence if it be safely invested it matters not whether the sums be large and the borrowers few or otherwise.

This may seem a sufficient answer to the objection, and it would have much more force were the transactions of the company confined merely to the investment of its capital stock; but when we come to consider, as we shall next in order, the operations of the banking department, it will

903 be seen that if the objection is applicable to any moneyed institution, to none is it more so than to this company.

Before proceeding to give the result of his examination of the banking department, your commissioner begs leave to suggest to the court the propriety of advising the company to reduce the loans alluded to, and abstain in future from making any of a similar character above the maximum sum, which the seventeenth section of its charter allows to be made to any single trustee, which is twenty thousand dollars. This is a wise provision, and in the opinion of your commissioner the public interest, as well as that of the company, would be greatly promoted by its application to all classes of borrowers. The twenty-first section of the act of incorporation of this company authorizes the supreme court to "recommend to the trustees such alterations and amendments in the regulations and by-laws of the company as they shall deem to be required by the public good, and a just regard to the security of creditors." Whether this section confers the power on the court to enforce the suggestion made by its commissioner, and whether if it does the court will deem that the "public good," or "a just regard to the security of creditors," calls for the exercise of that power, are questions respectfully submitted for the determination of the court.

Second. *Of the banking department.*—The capital of this depart-
904 ment consists of the six hundred and eleven thousand two hundred and twenty-six dollars transferred, as before stated, from the insurance and trust department, to which may be added an average balance of daily deposits of at least four hundred thousand dollars. At the date of the company's last report these exceeded that sum. It is true that these deposits are subject to be drawn on sight, but it is equally true that experience as well as the books of the company show that an institution doing the amount of business that this one does can safely rely on a sum as large as that above stated as means for its operations. It then may be assumed that the banking department has a capital of at least one million of dollars, upon which, for the year ending the 30th day of October, A. D. 1850, it transacted business to the extent following:

Purchase of bills of exchange at sight and short dates.....	$6, 200, 940 11
" " " having time to run.....	3, 260, 219 76
An average discount line of local paper payable in Cincinnati of over half a million, say.....	500, 000 00
(At the date of the company's last report this sum exceeded $600,000.)	
And collected for others.....	3, 062, 090 00
And sold.....	7, 919, 934 06

Thus it is shown that this department purchases annually about ten millions of exchange, sells about seven millions, collects for others over three millions, has a discount line of local paper beyond a half a million,
905 and an average deposit of at least four hundred thousand dollars.

Now, in view of the immense liabilities necessarily assumed in transacting so vast an amount of business, and considering what seems to be a conceded point in banking, that its means should never be invested in what is called permanent loans, does not the suggestion of your commissioner become worthy of grave consideration? He is aware that it may be said that the loans alluded to are not in this department, which nominally is true, but in reality it is the same as though they were, because they are made out of the same fund from which the capital of this department is derived. Hence anything that tends to impair the common fund must, in a greater or less degree, affect the capital of the banking department; and if, instead of the $130,000, the whole sum of $406,665 57 thus invested had been loaned

to one person, no matter what the security, it would be conceded that neither the "public good" nor "a just regard to the security of creditors" would have received due consideration in such a transaction. So far as it was practicable, your commissioner, in his examinations of this department, pursued the plan adopted in the outset of his investigations, but to a limited extent only could it be followed, because the original evidences of its operations are daily maturing and being paid off, and no trace of them left
906 but the records of the original transaction on the books of the department.

Your commissioner, in the examination of the books, became satisfied that a true and faithful history of all the transactions of the company are daily recorded therein, and that, by taking sufficient time, the minutest details of each could be ascertained; but this he did not consider necessary to accomplish the objects of his appointment. The task would have been almost endless, and no practical good would have resulted therefrom. There is one fact ascertained in regard to this department which in a great measure shows the "ability" and "prudence" with which it is managed; that is, the smallness of its suspended debt, it being only about $40,000. At the time this examination was made a comparison between the books and the original bills and notes then in the possession of the company was instituted, and in every case they were found to correspond. The conclusion, therefore, to which your commissioner has arrived, is that the "affairs" of the company, with the exception made, have been conducted with "ability;" that its investments are productive, and that those "holding its engagements" are entirely safe. Your commissioner is further enjoined by the order of his appointment to state his "opinion of the advantages and disadvantages which result from its (the company's) dealings to the public and the various classes of individuals and corporations, and its effects upon the business operations of the community." Whatever might have been the views of your commissioner, had he been called on to express them, as to the
907 propriety of creating an institution with the extensive powers conferred upon this, embracing almost everything pertaining to the dealing and trafficking in money, save the issuing of notes as currency, and that it enjoyed for a considerable time, he does not deem within the range of the duties assigned him to say; but, in justice to himself personally, he wishes to declare that the granting of such vast powers to any company would not have met his approval. The question now is, however, not whether they ought to have been granted, but what are and have been the effects thereof on the business interests of the country. Your commissioner, after a careful examination into the mode and manner of the company's dealings with with its customers, including corporations as well as individuals, does not hesitate to give as his opinion that if institutions of the character in question are necessary in transacting the business of the country, none has afforded greater facilities than this, or is more likely in future to render the required assistance. Its original capital is invested in securities of undoubted character. It has the almost unlimited confidence of the whole country, as is shown by its immense deposits. The promptness with which it has heretofore met all its engagements, the character of those in whose hands its management is confided, all tend to give it power to facili-
908 tate the business operations of the country, possessed by no other similar institution. While it remains under the management and control of honest and able men, its great means, as before intimated, may be used to the advantage of public and private interests, but to the destruction of both in the hands of the dishonest and inefficient. Your commissioner did not discover that the company or any of its officers were engaged in any business prohibited by the laws of the State, and he here takes occa-

sion to say that the president and other officers whom he met in his examination manifested a disposition to render every facility to his investigations. They seemed conscious of not having transcended their chartered privileges, proud of their strength, and anxious for a thorough investigation of their affairs in the minutest detail.

In addition to the effects of the company before specified it is the owner of the following stock:

State stock	$11,000 00	....cost.	$7,994 89
Clark County stock	25,000 00	....do..	23,588 50
Little Miami railroad	25,000 00	....do..	22,500 00
Knox County	24,200 00	....do..	18,150 00
Madison and Clifton waterworks	21,000 00	....do..	16,800 00
Fairfield County	11,688 00	....do..	.....
City of Dayton	15,000 00	....do..	.....

Excepting the Madison and Clifton, of which your commissioner
909 knows nothing, these stocks, in his opinion, will be fully realized to the company. The interest is regularly and promptly paid, and the certificates for the same were found in the possession of the company. The titles of the real estate owned by the company for the transaction of its business and that which it has acquired in various ways in payment of previous indebtedness your commissioner found with the company. The value of this he will not undertake to estimate, but believes that placed upon it by the company in its report to the court is as near as can be arrived at. The company has an agency established in the city of New York, the business of which is conducted by its cashier. The correspondence between him and the company, and his periodical statement of transactions, together with the inquiries of the officers of the company, are the sources from whence your commissioner derived principally what he has to state in reference thereto. In this agency the proceeds of the company's eastern bills, as well as most of the Ohio banks, and a large number of other banks, especially those of the west, are deposited. By an arrangement between the Ohio banks and the company the latter pay the former four per cent. per annum on these deposits. They are subject to sight drafts, and in order that the cashier should always be in readiness to meet them, his instructions are of the most stringent character as to the
910 use made of these deposits. By the rules of the company he is not permitted to loan them on any but certain stocks specifically named, such as Ohio, New York, Virginia, and perhaps the cities of Boston and New York. His instructions are not to loan over ninety per cent. on their par value, and for a period not longer than ten days, and in no case on stocks that are not at par. The amount of these deposits are very large, those of the Ohio banks alone approaching near one million of dollars. It is therefore not strange that the company should feel the importance of placing its agent under the most rigid rules as to the manner and the securities upon which he may loan them. Your commissioner has given much consideration to the question whether any additional safeguards could be thrown around the transactions of this agency, but after mature deliberation he has arrived at the conclusion that if those already interposed are not adequate to its protection and security, he is unable to suggest any of a higher character that would ensure its safety. Hence the question involves the existence of the agency itself, and whether it should be continued. Your commissioner having stated the facts does not feel called on for an expression of his opinion thereon.

Having presented to the court the results of his investigations, with such suggestions and recommendations as in his judgment seemed right,

911 your commissioner will close his report with a brief reference to the life insurance department.

At the date of the company's last report it had policies on ninety lives; the amount of risk was two hundred and sixty-five thousand dollars; premiums payable on the same annually five thousand and twenty-one dollars; the amount of premiums already paid on these lives twenty thousand dollars. The losses in this department have been equal to its profits, and therefore the company has not been eager to extend its liabilities in this way.

THOMAS L. JEWETT,
Special Master Commissioner.

912 *Report.*

To the judges of the supreme court of the State of Ohio:

The undersigned, having been appointed by the supreme court of the State of Ohio, at its term in bank, in December, 1851, a special master commissioner of said court "to examine into the condition of the Ohio Life Insurance and Trust Company," and having performed the duty imposed upon him by said appointment, now makes the following report:

On the 12th day of May, 1852, the undersigned repaired to the place of business of said company in Cincinnati, and commenced said examination, which was continued from day to day until completed. In making this examination he received all necessary aid from the officers and agents of the institution, who appeared to court investigation, and manifested a sincere desire to afford every facility in their power to enable him to arrive at the truth. No book, no account, no papers, no document called for was withheld; no explanation required was refused, but was cheerfully and promptly given. In making this report, the undersigned deems it proper to pursue the order contained in the instructions given by the court in its order before referred to, of December, 1851, and to respond to each instruction given as he may find the facts ascertained to require. In pursuance of an order of court of the 19th of January, 1846, the said company, at the aforesaid December term, 1851, made an annual and detailed statement of the affairs of said company for the year next previous to October 31st, 1851, and of their situation on that day. This statement is referred to the undersigned,
913 and he is directed specially "to make a fair and full investigation of the affairs of said company, and of the management thereof during the year next preceding said statement," and to report "whether said statement contains a full and true account of the several matters required by the order of the court with which it assumes to comply."

The undersigned has no hesitation in saying that said statement contains a full "of the matters required by the order of court referred to; whether "true," or otherwise, has been the subject of special investigation. It will be readily perceived that it would be utterly impossible, in any reasonable length of time, minutely to investigate the multifarious transactions for a single year of a company doing the immense amount of business which is done by this company; the undersigned, therefore, adopted a course which he supposed would enable him to arrive at a satisfactory conclusion. This course was to examine particular items, promiscuously taken, and ascertain their correctness, and, if correct, it might be well inferred that others were also correct. This course of examination has been pursued by those who have preceded the undersigned in the same business, and, so far as he knows, has heretofore been satisfactory to the court. The business of the company appears to be transacted systematically and with much care; its books are well kept, and from the examination made, I am satisfied that the statement above referred to contains a "true" as well as "full account of the several matters required by the order of court, with which it assumes to comply."

As the court have been heretofore informed and well understand, the business of this company is transacted in different departments, denominated the trust and the banking departments. The manner of transacting business in these two departments, as well as their relation to each other, has heretofore been fully stated and explained to the court by those who have preceded the undersigned, and it would seem to be unnecessary to add anything at the present time upon this part of the subject.

914

By its act of incorporation, the capital stock of the Life Insurance and Trust Company is fixed at two millions of dollars, and it is made the duty of the company to invest the whole of this capital stock "in bonds or notes drawing interest not exceeding seven per cent. per annum, secured by unincumbered real estate, within the State of Ohio, of at least double the value in each case of the sum so secured;" and not more than one fourth of said capital can, by the act, be loaned on real estate in any one county. The general assembly, in the enactment of this law, intended, so far as the capital stock of the company was concerned, it should be distributed in loans to the different counties of the State, so that if these loans were found to be beneficial to borrowers, that benefit might be generally felt; if otherwise, the evil would be generally diffused. The management of the capital stock, according to the regulations of the company, is intrusted to the "trust department."

The statement made to the court in December last, and which has been referred to the undersigned, shows that on the 31st day of October then next preceding, $1,962,981 62 of the capital stock was invested in loans on bonds or notes, secured by mortgages, as required by the act of incorporation, upon real estate, of the estimated value of $5,338,433. These loans were made to 1,692 individuals, residing in seventy-four different counties of the State. In ascertaining the value of the security offered in any particular case, much reliance must of necessity have been had upon the agent of the company, whose duty it was to ascertain as well the value of the property as the state and condition of the title. In no case was the security received unless of double the value, at least, of the loan procured.

915

It will be seen by the foregoing that on the 31st day of October last $37,018 38 of the capital stock was not invested in "bonds or notes secured by mortgage," as the act of incorporation requires. But the statement referred to shows that at the same date the company held real estate which had been purchased in, under decrees, on loans of capital stock, amounting in value to $24,089 20, which should be deducted from the sum of $37,018 38, leaving, of the capital stock uninvested, $12,929 18. In this particular it appears that the company has substantially complied with the requisition of its charter. It is not to be expected that the entire capital stock, the precise sum of $2,000,000, will at all times be loaned on bonds or notes secured by mortgage. The payment of a single note or bond would reduce the amount until a reinvestment should be made. The capital stock, so far as invested, should be exclusively invested in this manner, and, from aught that appears, it has been so invested. By the 19th section of the act of incorporation, the trustees of the institution have "discretionary power of investing the premiums and profits received by the company, and the money received by them in trust, in government, or other public stocks of the United States, or of any State, or the stock of any incorporated company, or in such real or personal security as they may deem proper, or to loan the same to any county, city, incorporated town or company," conditioned that "said company shall not hold stock in any one private incorporated company beyond twenty-five thousand dollars."

916

On the 31st of October last the trustees had predicated, upon such funds

as are specified in the above-recited section, invested in loans upon personal security, $17,506 72; in loans secured by the pledge of stocks, 112,917 08; in loans on pledges of notes, secured by mortgage of real estate, 408,842 11; in loan to counties, 2,800 00; in stocks such as specified in the section, 180,300 00. But the amount of stocks held in any private company did not exceed twenty-five thousand dollars.

These investments are based measurably, and perhaps principally, upon deposits bearing interest at from three to five per cent. per annum, and the loans made are at interest of seven per cent., which seems to be in accordance with the act of incorporation. The undersigned is of opinion that the investments above recited were prudently and safely made.

The real estate of the company, which it had taken in payment and satisfaction of debts during the year next preceding the said 31st day of October, consists of lands in the counties of Defiance, Williams, Fulton, Henry, Putnam, Paulding, Auglaize, Van Wert, Mercer, and Clermont. The value of these lands is uncertain. In pursuance of one of the by-laws of the company this real estate must be sold as soon as the amount necessary
917 to save the company harmless can be realized by such sale.

One of the powers conferred upon this company by the second section of its charter is "to buy and sell drafts and bills of exchange;" and by the 23d section further banking powers are conferred. It was authorized until 1843 to issue bills or notes to an amount not exceeding twice the amount of funds deposited with said company for a time not less than one year other than capital; the circulation at no time to be greater than one half the capital stock actually paid in and invested in notes or bonds secured by the pledge of unincumbered real estate. To carry out these provisions the banking department of the company was organized. Within the time limited bills or notes for circulation were issued, but since the expiration of that time none have been issued, and of those previously issued all have been returned and redeemed on the 31st day of October last, with the exception of $3,925, and the amount in circulation has since been reduced to $3,815. Notwithstanding the power to issue notes or bills for circulation ceased in 1843 the company continued and still continues through its banking department to loan money, discount notes and bills of exchange, purchase and sell drafts, bills, &c., as a regular banking company. The interest allowed by the said twenty-third section is at the rate of six per cent. per annum.

The undersigned is instructed by the court to "specifically examine the condition of the banking department, and whether its management is safe, and whether the standing rules in relation to it have been observed faithfully, whether the debts due it are dormant or active, whether any issues of evidences of debt have been made in forms not permitted by law, and whether any such issues are payable in any other thing except
918 cash and on demand."

From the examination which he has made the undersigned is satisfied that the statement made by the company to the court in December last of its situation on the 31st day of October preceding is correct and true, as as well in relation to the banking as to the trust department, and is of opinion that the management of the banking department is conducted with fidelity, prudence, and safety, and that the standing rules in relation to it are well observed.

According to the statement made by the company to the court and referred to the undersigned it appears that on the 31st of October last, the debts due the company in this department upon notes and bills discounted, and which may be deemed active, amounted to $1,201,096 56. At the same time there was due in bills receivable, debts suspended, and judgments,

$144,914 32. The bills receivable are secured by mortgage and other collateral security, and in the opinion of the officers of the institution much of the suspended debts and judgments will eventually be realized.

Since 1843 no bills or notes have been issued for circulation, and such as are now outstanding are payable on demand and in cash. When deposits are made in the banking department certificates are issued, payable on demand, or upon time, according to the nature of the deposit, and in the same description of funds as those deposited. It is rarely the case that deposits are made in the banking department upon time, and of course the certificates are very generally payable on demand.

The interest allowed by law and charged upon loans in this department is at the rate of six per cent. per annum.

The undersigned is further instructed to notice in his report
919 "every transaction, or usage, or act of this company which, in his opinion, is either unauthorized or prejudicial to the public interest." No "transaction, or usage, or act of the company" has come to the knowledge of the undersigned, which, in his opinion, is prejudicial to the public interest, and as a general thing particular anxiety has been manifested by those having the management of its concerns to transact its business in accordance with the law of its creation; at least such seems to have been the case for several years past. As to the earlier proceedings the undersigned did not deem it necessary or proper for him to inquire.

The act of incorporation requires that the corporate powers of the company shall be exercised by a board of trustees, to consist of twenty persons, who shall be stockholders and citizens of the United States, three fourths of the number to be citizens of the State of Ohio. Vacancies in the board other than by expiration of term of service are to be supplied by the choice of the remaining trustees. On the 31st of October last there were three vacancies of this character in the board, and others have since occurred. In the opinion of the undersigned such vacancies should ever be supplied with all convenient dispatch, and he was at first inclined to think that there had been unreasonable and unnecessary delay. The explanations made, however, satisfied him that there has been no intentional neglect of duty, and that the board would soon be filled. By the 17th section of the same act it is provided "that no loans shall be made directly or indirectly to any trustee in a greater sum than twenty thousand dollars in the whole, and the same security shall be given therefor as is required for other persons, and in addition any trustee may secure his own part of the capital stock, not
920 exceeding five thousand dollars, by bond or note and conveyance of real estate in trust to the company in the manner prescribed in the seventh section of this act. It seems that a question has been raised in the board of trustees as to the proper construction to be put upon this section. Whether, in fact, the intention was to confine the indebtedness of a trustee in all cases to twenty thousand dollars, or whether that indebtedness might be extended to twenty-five thousand. Probably by turning our attention to the state of things at the time this act of incorporation was passed we may arrrive at the intention of the law-making power. It is well known that at that period the practice had prevailed to a considerable extent for stockholders of banks instead of paying the stock by them subscribed in money to give notes for the same as instalments fell due. A trustee of this company might under this provision secure his part of the capital stock to the extent of five thousand dollars by giving his bond or note, secured by deed of trust or mortgage of unincumbered real estate. Having done so he would be to this extent a debtor to the company, but notwithstanding this he might still, in addition, be entitled to a loan, like any other trustee, not exceeding twenty thousand dollars. If the entire capital

stock has been once paid in in money it is difficult to perceive how any part of it is afterwards to be secured by bond or note and conveyance in trust of real estate. The first part of the section relates to indebtedness created by loans, strictly so called, not to indebtedness for capital stock, and although a trustee may be indebted for capital stocks, to a certain extent, he shall not thereby be deprived of the benefit of a loan.

Another question arises under this section: the language is "no loans shall be made, directly or indirectly, to any trustee," &c. Now is the restriction applicable to one who is not actually the borrower, or does it apply equally to him who is security for the borrower? For instance, a loan is made to A on the security of B; can that loan be said with propriety
921 to be a loan to B? True, in a sense, the credit may be given to both, and B may be ultimately liable. He must be liable upon the failure of A to pay. Still the transaction upon the face of it was not for his benefit. There may certainly be doubt upon this subject, but it is unnecessary and perhaps would be improper to express an opinion upon it. The trustees, as the undersigned is informed, and as he thinks, very prudently adopted the construction that the loan was as well a loan to the security as to the principal, and have intended to regulate their action accordingly.

It is found, however, on examination that in some instances loans have been made to individual trustees, including money actually borrowed, and that for which they are endorsers to a greater amount than twenty thousand dollars. The undersigned is well satisfied that no such loan has been made with a design to violate the law, but has been made through inattention and want of due care.

He is induced to this belief from the fact that the instances are of rare occurrence, that the excess in each case is comparatively trifling, in no case reaching five thousand dollars, and from the almost uniform practice of confining the loan within the limit of twenty thousand dollars. It is matter of regret that any such thing should have happened, and it is hoped that hereafter more caution will be used in making this description of loans, and that the law in this particular will be literally complied with.

The undersigned is further required to "state his opinion in relation to the ability and integrity with which the affairs of said company have been conducted, and in relation to the prudence, safety, and productiveness of its investments, the safety of those holding its engagements, the advantages and disadvantages which result from its dealings to the public and to the various classes of individuals and corporations, and its effects
922 upon the business operations of the country."

From examination made and from information received the undersigned is satisfied "that the affairs of the company" have been conducted with care, fidelity, ability, and integrity. Its investments have generally been made with prudence, and have been safe and productive. Still upon those investments and in the course of business losses have occasionally been sustained, some of them severe, yet not such as to endanger the ability of the company to meet its engagements. The most severe loss has heretofore been made known to the court by the report of the special master commissioner entrusted with the examination of the affairs of the company in 1848. Since that time there has been no considerable loss, and the company has recovered from the effects of that previously sustained.

It would seem "that those holding its engagements" must be as secure against loss as in the nature of things can be expected. The company keeps on hand a very considerable surplus fund. Its assets, supposed to be available over and above its capital stock, are abundantly sufficient to meet all its liabilities. Over and above this surplus fund and these assets it has

a capital stock of two millions of dollars, which must, if necessary, be appropriated to the payment of its creditors. True, it is possible that such a state of things may exist as will prevent the company from realizing the full amount of the assets which are now supposed to be available. Its ability to pay its debts, like the ability of an individual, must in some measure depend upon the ability of its debtors to meet their engagements. But it cannot with any probability be anticipated that there can be any loss from bad debts, which would not be fully met from the capital stock. For these and other reasons the undersigned is fully of opinion "that those holding engagements of the company are safe." As to the "advantages and disadvantages which result from" the dealings of this company "to the
923 public and to the various classes of individuals and corporations, and its effect upon the business operations of the community," there would undoubtedly be great contrariety of opinion, and the individual opinion of the undersigned can be of little worth. This company is a corporate body, and its general business is to deal in money. So far as it furnishes facilities to individuals for the transaction of business it would seem to be beneficial. Its loans are not confined to any one class of community or to any section of country. Its capital stock is and must be invested in loans upon notes or bonds secured by mortgages upon unincumbered real estate. The borrower is not compelled to give personal security, and thereby endanger the situation of his friends, but the credit is given to himself and his property. Loans of the capital stock are required to be made in the different counties of the State, and the report of October last shows that they are actually distributed in seventy-four different counties. These loans, it is true, are not made for any definite length of time, but in all cases there is an understanding on the part of the company, and by which it is bound that so long as the interest is punctually paid no call shall be made for the principal until after two years' notice. The interest reserved is at the rate of seven per cent. per annum, and the reservation or reception of a greater rate would subject the company to the danger of a forfeiture of its charter. It may seem that two millions of dollars is a large sum with which to encumber the real property of the landholders of the State, but the entire amount of this real property as valued and put upon the tax duplicates according to the
auditor's report of 1851 is $341,381,838; deduct from this the lien of
924 two millions secured to the trust company, and it will leave $339,381,838 unincumbered so far as the company is concerned. Or if we deduct the estimated value of the real property actually pledged, that is to say, $5,338,433, from the amount of the tax duplicates it will leave $336,043,405 unincumbered.

Taking this view of the matter the incumbrance cannot be said to be large, and well would it be for the landholders of the State were this the only incumbrance on their property. But it is not so. Other mortgages exist, designed to secure other creditors, both corporations and individuals, and many of these individual creditors will not be satisfied with the rate of interest reserved by this company; and the undersigned has no doubt that its mortgagers, as a general thing, pay less interest and are more indulged than the mortgages of individual creditors. In truth its indulgence is probably too great for the interest of its debtors. So long as interest is punctually paid the principal is not called for, and experience shows that most debtors do not hasten to pay their debts so long as their creditors are willing to postpone such payment.

This company is authorized to transact, and does transact, a banking business, and it cannot be objected to it that it transacts this business upon its own proper circulation. In this respect it is placed upon the same footing with private bankers. It loans money upon notes and bills, purchases

and sells exchange, &c. It is believed that the interest of the commercial community requires that business of this character should be transacted either by corporations or individuals, or by both; whether by one or the other may not be very material. There is this difference, however, between this company as a banking company and individual bankers: The latter make such terms as they can relative to the rate of interest which those
925 who borrow from them shall pay, and if they restrict themselves to the legal rate of interest, that legal rate is ten per cent. Reserving or receiving interest beyond this subjects them to no forfeiture. This company in its banking operations is restricted to a rate of interest not exceeding six per cent., and if this is exceeded, the loan made upon such excessive interest, as well as the charter under which it operates, is endangered. In the purchase and sale of exchange it must be controlled by the ordinary rates. It may, and undoubtedly does, come in a competition with other corporations and with individuals transacting a similar character of business. But that its business as now conducted operates otherwise than favorably upon the business of the community generally it is difficult for the undersigned to conceive. The undersigned is further directed "to enquire if the said company or any of its officers are engaged in any business, either prohibited by or contrary to the policy of the laws of this State, or calculated to affect the credit of said company." This enquiry has been made, and it is not ascertained that either the company or any of its officers are engaged in any business prohibited by the laws or contrary to the policy of the State as heretofore understood, or of a character calculated injuriously to affect its credits.

Having responded to the several instructions given the undersigned, in the order by which he was appointed, he will now make some general remarks, and then close this report.

The "Ohio Life Insurance and Trust Company," was incorporated by act of the general assembly of Ohio, on the 24th day of February, 1834. At that time it was felt that there was a lack of capital in the State for the
926 transaction of the business of the community, and it was believed the amount of the capital might be increased by means of this corporation, nor was this expectation disappointed. Most of the stock was subscribed by non-residents of the State, and consequently capital was introduced from abroad. It is not supposed that those who took the stock had particularly in view the public interest. The object with them was to make a safe and profitable investment of their capital.

Hitherto the investment has been safe, and the profits have been reasonable; still the stock has not been as productive as is generally supposed, nor as was probably anticipated. Dividends when made are made semi-annually, in January and July. They have not, however, been uniformally made; losses have been sustained which have prevented it. The highest semi-annual dividend made at any one time is 4½ per cent., the lowest 3 per cent. The company commenced its operations in January 1835, and in January last had been in operation seventeen years. The entire amount of dividends declared, including that of January last, had been 105¼ per cent., or an average less than 6¼ per annum. The earnings of the company, as its affairs are now conducted, may be fairly estimated at 8 per cent. Its actual earnings would probably be something more than this, but prudence would dictate that no more than this should be divided. On the dividends declared the company has uniformly paid a tax of five per cent. to the State.

By an act of the general assembly, of the 21st of March, 1851, a tax is levied upon this institution nearly equal to three times the amount it has heretofore paid upon its dividends, and by the tax law lately enacted and now in force this tax will be very much increased. The company has de-

clined to pay the tax levied under the law of 1851, and will decline to pay that which may be levied under the existing law, until its legal liabil-
927 ity to make such payment shall have been ascertained by judicial determination.

It claims that by the terms of its charter it is legally protected from such payment. The 25th section of its act of incorporation provides that "no higher taxes shall be levied on the capital stock or dividends of the company, than are or may be levied on the capital stock or dividends of incorporated banking institutions in this State."

It claims that aside from its charter it is protected by express contract. This company by its act of incorporation had banking power, and was authorized to issue notes and bills for circulation. By an act of the general assembly of the 14th of March, 1836, entitled "An act to prohibit the circulation of small bills," the auditor of state in the first section is directed to draw in favor of the State treasurer, upon the several banks of the State, for twenty per cent. upon the amount of their dividends, which the State treasurer is required to collect. The section, however, contains this proviso, "that should any bank in this State prior to the fourth day of July next, with the assent of its stockholders, by an instrument of writing, under its corporate seal, addressed to the auditor of state, surrender the right conferred by its charter to issue or circulate notes or bills of a less denomination than three dollars, after the fourth day of July, eighteen hundred and thirty-six; and any notes or bills of a less denomination than five dollars, after the fourth day of July, eighteen hundred and thirty-seven, then, and in that case, the auditor of state shall be authorized to draw on such banks only for the amount of five per cent. upon its dividends declared after the surrender aforesaid."

At the time of the enactment of this law the Ohio Life Insurance and Trust Company had the power under its charter to issue bills of a
928 less denomination than five or three dollars. In fact, it was not at all restricted in this respect. It was one of the banks of the State, and to it, as well as to others, was the proposition made.

On the 20th of June, 1836, at a meeting of the stockholders of this company, it was resolved to consent upon the consideration contained in the aforesaid act, to surrender the right to issue bills of a less denomination than three and five dollars, after the respective time specified in that act; in pursuance of which resolution, the right was actually relinquished, in the form and manner prescribed in the act, on the 22d day of the same month of June, of which the auditor of state was forthwith notified.

It is claimed by the company that here was a contract between the supreme power of the State and this corporation. The corporation had the right and the power to issue bills of a less denomination than five dollars. The State through its general assembly say to it: surrender this right, and in consideration thereof the auditor of state shall draw upon you only for the amount of five per cent. upon your dividends declared subsequent to such surrender. The proposition is considered by the stockholders of the company, and is acceded to. The surrender is made as required, and the proper officer of State notified.

Had this been a transaction between individuals, no one probably would have doubted that it was a contract, and a contract, too, upon sufficient consideration performed by one of the contracting parties. Whether the fact that the State itself is a party to the transaction can make any difference is a question for the judicial tribunals of the country; and it would seem to be desirable to all interested that this question should be determined
929 as soon as possible.

Should it be determined that this company is liable to this additional taxation, the interest of its stockholders will require that the business of the concern should be closed as soon as possible. The capital invested will no longer yield a reasonable profit, and will of course seek investment in some more advantageous business. At least such would seem to be the reasonable expectation.

All of which is respectfully submitted.

P. HITCHCOCK,
Special Master Commissioner.

May 19, 1852.

930 *Report.*

The undersigned received the following appointment and instructions from the supreme court of Ohio, on the 9th of March, 1853, namely:

"In the matter of the Ohio Life Insurance and Trust Company.

"The court having considered the annexed statement of the board of trustees of the Ohio Life Insurance and Trust Company, made at the present term, order that the same be referred to Peter P. Lowe, of Montgomery County, as master commissioner, with directions to make a full and thorough investigation into the affairs and management of the company in pursuance of the twentieth section of its charter; and for that purpose the said commissioner is hereby directed to proceed to the principal office of the company, at Cincinnati, and there examine (so far as he may deem expedient) the original books, records, documents, papers, and correspondence, together with the monies, securities, and assets in the possession or control of any of the company's officers, agents, or servants; and the said commissioner is hereby authorized to interrogate on oath (to be administered by himself) any or all of said officers, agents, or servants, and any other person or persons whomsoever, touching the affairs and management of the company, and all other matters connected therewith. And it is ordered that the said commissioner especially investigate whether the statement made to the court, at the present term, by the trustees aforesaid, contains a full and true account of the affairs and management of the company during the year next preceding its date. It is ordered, also, that the said commissioner examine the condition of the banking department; whether its management be prudent and safe, whether the standing rules in relation thereto have been faithfully observed, whether the debts appertaining to it can or cannot be immediately realized, whether any evidences of indebtedness or deposits have been issued *have been issued* in forms not authorized by law, and whether any evidences of indebtedness given by the company are payable
931 otherwise than in money and upon demand. And it is ordered, also, that the commissioner inquire if the company or any of its officers have been engaged within the year aforesaid in any business or enterprise prohibited by law, or contrary to the policy of this State, or calculated injuriously to affect the company's credit. And the said commissioner is enjoined to report every usage or transaction of the company, which, in his opinion, is not warranted by law or is prejudicial to the public interest, and especially to ascertain and report whether the company has, within the year aforesaid, disobeyed or evaded any of the laws or statutes of this State. And the said commissioner is directed, also, to report his opinion in relation to the ability and integrity with which the affairs of the company are conducted, the prudence and safety of its investments, the security afforded to those by whom its engagements are held, and the advantage, if any, derived by the public from its operations."

The undersigned may be permitted to say that although these instructions

are very (yet properly so) thorough and searching in their character, they may be reduced down simply to an examination—

1st. Of the affairs and condition of the company.

2nd. Of its management as being consistent with law.

From the beginning the undersigned has felt a strong inclination not to examine into the condition of this company, and this feeling was greatly strengthened by reading somewhat carefully the report of the trustees of November, 1852, which was specially referred.

To make an examination in the manner designed by the court, into the "affairs" of this company, would require some six or nine months' service, a length of time certainly not contemplated on the part of the court, on the one hand, and to perform which, on the other hand, in the spirit in
932 which it was imposed by the court, in a shorter period, would not be undertaken by the undersigned. Therefore it is that the labor of examining "thoroughly" into the "affairs" of this company, or its condition, rather, has not been under examination in that sense.

In the report of the trustees to the court, and now referred, both "condition" as well as the "management" of the company's business are given. It is this management which we propose to examine.

This company was incorporated by the legislature of this State on the 12th February, 1834.

This act is found among the general laws in classification of laws which then existed. The title or name given, "the Ohio Life Insurance and Trust Company."

All its direct powers are to be found in the 2, 7, 19, and 23d sections, and are given in the order in which they occur, namely:

"Sec. 2. That the said company shall have power, 1st. To make insurance on lives. 2d. To grant and purchase annuities. 3rd. To make any other contracts involving the interest or use of money and the duration of life. 4th. To receive money in trust, and to accumulate the same at such rate of interest as may be obtained or agreed on, or to allow such interest thereon as may be agreed on. 5th. To accept and execute all such trusts, of every description, as may be committed to them by any person or persons whatsoever, or that may be transferred to them by order of any court of record whatever. 6th. To receive and hold lands under grants, with general or special covenants, so far as the same may be necessary for the transaction of their business, or where the same may be taken in payment of their debts, or purchased upon sales made under any law of this State, so far as the same may be necessary to protect the rights of the said company;
933 and the same, again, to sell, convey, and dispose of. 7th. To buy and sell drafts and bills of exchange."

"Sec. 7. The capital stock of the said corporation shall be two millions of dollars, which shall be divided into shares of one hundred dollars each. The whole of said capital stock shall be invested in bonds or notes drawing interest not exceeding seven per cent. per annum, secured by unincumbered real estate, within the State of Ohio, of at least double the value in each case of the sum so secured, and not more than one-fourth of which capital shall be loaned on real estate in any one county."

"Sec. 19. The trustees shall have discretionary power of investing the the premium and profits received by the company, and the monies received by them in trust, in government or other public stocks of the United States, or of any State, or in the stock of any incorporated city, or in such real or personal securities as they may deem proper, or loan the same to any county, city, incorporated town, or company; but the said company shall not hold stock in any one private incorporated company beyond twenty-five thousand dollars."

"Sec. 23. The company shall have power until the year 1843 to issue bills

or notes to an amount not exceeding twice the amount of the funds deposited with the said company for a time not less than one year, other than capital, but shall not at any time have in circulation an amount greater than one half the capital actually paid in and invested in bonds or notes secured by an unincumbered real estate, agreeable to the seventh section of this act, nor a greater amount than twice the amount of deposits for the time being, and may lend the same on notes or obligations, or such other securities as the said trustee may require, at a rate of interest not exceeding six per cent. per annum."

934 This is not the entire section, but sufficient to show, substantially, the power granted.

There are two business departments in the Ohio Life Insurance and Trust Company, as we are informed by the trustees in their report under consideration, namely: "The insurance and trust department" and "the banking department."

The limitation of the power to issue notes and lend the same expired on the 1st day of January, 1843, by the act creating this company, for the purpose of doing and carrying on the other delegated powers which are unexpired, and may therefore be rightfully exercised. The undersigned is unable, however, to appreciate this reason. The insurance and trust department has done, and is doing, the same kind of business that is done by the banking department. At least no one will deny that the Ohio Life Insurance and Trust Company, as such, can do and carry on all the business designed by law for it to do. The management of the financial business of this company, in the way practised, may be a convenience to the trustees, but it is certainly quite an inconvenience to those who attempt to comprehend the nature and manner of doing its business, and it is not unlikely there will follow a still greater inconvenience to the public at large. For instance, there is no such title known to the statute under which the company is now acting. If it is allowed to assume this name to carry on the business referred to in the 2d or 19th sections, then may the company also assume

935 a business department for each of the seven delegated powers in the second section, and the same deposits in trust in one may be made deposits payable on demand in each of the other six, and in this way the same deposits may be used over seven times, and each department may do the same kind of business on the same deposits, in fact. This is not all assumption. We will take the deposits in the insurance and trust department as rendered in the report under consideration:

The deposits for 2 to 12 mo., at 3 to 4½, amount to.....		$749, 763 94
Do.	1 to 2 years, at 4 to 5.....do.....	11, 226 00
Do.	20 do. at 4½.....do.....	200, 000 00
Do.	20 do. at 5.....do.....	510, 381 00
	Whole amount	1, 471, 370 94

Deposits in the banking department:

Deposit by the Phœnix Bank, of N. Y., for 20 years, from 18th December, 1834, bearing interest at 4½ per cent. per annum	$200, 000 00
Deposit by Bank of the United States for 20 years, from 23d November, 1835, at 5 per cent. per annum.....	400, 000 00
Deposits by individuals for 12 months and over, bearing interest at 4½ per cent. per annum.....	11, 226 00
To amount of other deposits subject to be withdrawn on demand.....	739, 098 27
Whole amount.....	1, 350, 324 27

Now let us remark, 1st. That the capital stock of $2,000,000, with a small exception, is all absorbed by permanent loans. 2nd. That both of these departments have loaned out in addition to the $2,000,000 above referred to to corporations in and out of the State, upon pledge of stocks and
936 bonds, upon notes secured by mortgage, &c., the sum of $2,487,417 45, and in addition to this they purchased bills of exchange payable at sight, and which had time to run, to the amount of $10,482,165 60. All these were existing investments and purchases of bills for the year 1852. To this report the court will find appended eight interrogatories answered under oath by the president of the Ohio Life Insurance and Trust Company.

The seventh interrogatory reads thus: "In chapter No. 5 you say your deposits in the trust department are $1,471,370 94, other than deposits of $365 21 for accumulation. In chapter No. 6 you say the deposits in the banking department are $1,350,324 23. Please state to what extent these deposits are identically the same sum, if they are not entirely so."

To which the following is the answer, viz: "In answer to your seventh interrogatory I here say that the deposits referred to by you in trust and banking departments are identical only in the sum of $611,226, which, by a clerical error in the statement to the court, is put down as deposits in the banking department, instead of being simply called capital in banking department, arising from bonds issued by the company in the years 1834 and 1835, at twenty years date."

It is conceded, then, that the deposits in trust in the insurance and trust department, to the amount of $211,226, and upon which they did business under the 19th section, is identical with the like amount put down as capital (as now corrected) in the banking department, upon which it was also doing business under the 19th section. The correction of the clerical mistake unfortunately fails to change the result. It is the same thing
937 giving by different names. In the insurance and trust department it is called "deposits in trust;" in the banking department it is called "capital." In the Ohio Life Insurance and Trust Company, $2,000,000 is the only capital known to the law, and surely this is none of that.

There is another idea. It is not so clear that the Phœnix Bank, of New York, and the United States Bank would place into the banking department of the Ohio Life Insurance and Trust Company, which then (in 1834–5) had a legal existence, the sum of six hundred thousand dollars for 20 years, eleven years longer than the powers of this institution for banking continued. We should allow these institutions some credit for ordinary sagacity.

In the two chapters referred to in the interrogatory the court will see marks of identity in this, that there were deposits for 20 years, with interest payable annually, and therefore their character could not be changed, and their identification is complete.

There is one point, however, where these sums are dissimilar. It is this: The last item of deposit in the insurance and trust department, for 20 years, is for the sum of $510,381. In the banking department it is rendered $400,000. These sums are unquestionably identical to the amount of $400,000. If so, is $110,381 of the deposit in the trust department assumed or real? There is nothing in the report under consideration that inclines us to believe it real. If unreal and it is taken out of the deposits in the insurance and trust department, you leave the deposits in each of
938 these departments within $10,665 67 of being equal to each other.

It is very clear that the three items of deposit in the one department is identical with the three items of deposit or capital in the other department.

There remains, then, one item more of the deposits to be considered, viz: In the insurance and trust department the report says, under chapter five:

"The deposits for 2 to 12 mo., at 3 to 4½, amount to $749,763 94. This kind of deposit is called deposit in trust, and the other deposits to be withdrawn on demand, but out of the insurance and trust department they cannot be taken until the maturity ef the certificate of deposit. The undersigned would therefore suggest the propriety of recommending the immediate discontinance of the banking department, and that the business of the company hereafter be done under the proper head; that is, that the trustees, in their annual report, make separate and distinct statements under each particular head of granted power named in the 2d and 19th sections.

Interest.

The capital stock of this company of $2,000,000 is disposed of under the 7th section of the statute referred to. It is all out on permanent loans, except the amount stated in the report, which is in real estate and in the course of collection.

The 7th section of the law allows a rate of interest not exceeding 7 per cent. per annum, to be received. The admitted and uniform practice
939 of the company has been to receive interest at the rate of 7 per cent., payable semi-annually.

Had the question of illegal interest been started upon the first report by the company to the court, the question would not have been surrounded with any difficulty. Had it been mooted then, the exaction of the payment of interest on these loans in this way would have been, in the opinion of the undersigned, a clear violation of the statute of incorporation, a violation which would have worked not only a forfeiture of its statute privileges, but which could have been successfully pleaded against tne recovery of principal and interest at law.

By the 20th section of the statute of incorporation the trustees of the Ohio Life Insurance and Trust Company are required to make annually an exhibit of their affairs to the supreme court. An exhibit of their affairs necessarily involves (if fairly made) the manner in which the business is done.

The 21st section of the same statute makes the supreme court a sort of legislative body, as well as a judicial court, to supervise this institution. The court can recommend alterations in its regulations and by-laws, or if any act or proceeding of the company shall be deemed by the court a violation of the statute, and shall not in a reasonable time be corrected, the supreme court shall issue a writ of *scire facias*, &c.

It seems that the supreme court have up to this time either inad-
940 vertently overlooked this point or acquiesced in it, as not being a material infringement of the statute under which they acted. Be this as it may, it is not fair to infer, in view of the circumstances, that the supreme court did not know of this mode of receiving interest. Had the supreme court at an early day recommended a correction in this particular, the company would have yielded to it or been compelled to have done so. Looking at this point, then, "in the light of surrounding circumstances," there is neither a forfeiture of charter, principal, or interest; but this conclusion is not to prevent the court from requiring the company to do exact justice with the borrower in the premises. And that can be accomplished by requiring the company to return to the borrower, if he desires it, the excess of interest received of him. There are many borrowers, perhaps a majority, who prefer paying their interest semi-annually, but this does not alter the proposition in the least. The company and individuals cannot compromise the spirit and letter of this charter. Restrictions are to be nicely and pertinaciously observed and never violated. In a pressure of the money market borrowers would give 20 per cent., but this public corporation, cre-

ated for private emolument, is to take no advantage in such a crisis. Then, as in happier times, they are to be faithful and true to the letter and spirit of their charter.

Is this an immaterial infringement? We think not. Let any one examine this mode of calculating and receiving interest on $2,000,000 for 20 years and give to the borrower the benefit of the same mode of cal-
941 culating interest that is given to the company, and you will find the sum to be returned to the borrowers to be $100,433 67. It is by this process more than any other that wealth is accumulated with such fearful rapidity, a matter at this moment not cared for, but which will tell a most bitter sequel when relief laws will require strong protecting amendments to guard the masses from ruin. The amount of this excess of interest demonstrates the force of this suggestion. The fact, however, is a sufficient comment.

The undersigned would therefore recommend that the interest be paid at the end of the year respectively upon each loan, and that the court recommend to the company to give notice to the borrowers of this change in the mode of paying interest.

Investment under the 19th section.

It was not the design of the general law incorporating this company that any of the capital stock of $2,000,000, or any of the deposits withdrawable* on demand, or surplus funds, be invested under this section. In relation to investments, we refer to the fourth interrogatory and answer appended. The court will perceive that the undersigned desired to get at the amount of premiums, which the answer gives. The amount of profits which the answer does not give, but connects it with the surplus fund, which is not intended to be included in the section, and deposits in trust, which is given at $749,763 94, being the same deposits referred to under the head of "insurance and trust department." It is true we have the amount of surplus funds in another place in the report, and subtraction would give us the amount of the undivided profits. This is true, but the answer should have been, as the question, in the language of the statute.

942 The answer fixes the aggregate of sums subject to investment under the 19th section at $949, 646 93

From this we deduct "surplus funds" (see balance sheet, Report No. 216) of insurance and trust department" 126, 545 36

Whole amount subject to investment under sec. 19..... 823, 101 57

The sum, then, of $823,101 57 only is subject to be invested by the company in the manner pointed out by this section.

But the report under consideration shows that the company has made the following investments under this section, viz:

Loaned to corporations $2, 800 00

Loans made upon pledge of stocks and notes secured by mortgage 665, 009 00

Stock owned (bought at a discount of $8,333) in corporations 39, 550 00

Bonds owned (purchased at discount of 39,289) on corporations drawing 6 to 8 per cent., payable semi-annually and annually 235, 050 00

* I am aware this word "withdrawable," as used, is not in the dictionary.

Brought forward	$942,409 00
Loans by banking department on real and personal securities, (see chapter 6, made under section 19,)	1,545,008 45
	2,485,417 45
Deduct the only legal fund out of which the above investment can be made, of	823,101 57
Excess of investments	1,662,315 88
Deduct also the surplus fund, illegally assumed as a fund from which to invest, of	126,545 36
Excess of investment over means given by the co'y	1,535,770 52

And you have investments over the means to invest to the amount of $1,535,770 52, according to the company's report as to means. What other means were resorted to make this excess of investments the undersigned is unable to say, and it is now too late to make the proper inquiry in order to make it the more satisfactory. We think, however, that the answer
943 to the fourth interrogatory also shows that the whole of the deposits in each of the departments is identically the same, and hence the court will see that the excess of investments approximates to within $9,237 93 of the investments made by the banking department, and this it would seem clear. The discontinuance of the "banking department," and a special report as to "means," under the 19th section, in the language of the statute, and the nature and amount of investment made under this section, would correct the evil in future. This we recommend.

The undersigned is unwilling to express any opinion at this time as to the safety of the financial operations of this institution outside of the $2,000,000 of capital and its investments. This capital is undoubtedly well secured.

There yet remains unobeyed one other instruction given to the undersigned, which it may be supposed might be reported upon without any very great labor or personal investigation, viz: "Has the Ohio Life Insurance and Trust Company violated any laws of this State within the last year?" This instruction, of course, has reference, among other things, to the non-payment of taxes imposed upon the company by the laws of Ohio.

The company have refused to pay these assessments, and their reasons for doing so are given by the late Judge Hitchcock in his report to this court. This is considered by the undersigned a violation of law. It is believed that the court did not intend that the undersigned should argue and give his reasons at length upon the constitutionality of any law of this State that would take off or decrease the government burthens from a certain
944 class of her citizens, and by the same act increase in the same proportion the government burthens upon the residue of her citizens. We say let the pretext for the passage of such a law be whatever it may, we suppose the court did not intend that the undersigned should give his opinion of the constitutionality of a law exempting certain persons from the burthens of government and putting it upon others—a law which carries in it not only the seeds of self-destruction, but its concomitant evils.

Whether this institution is taxed as citizens are taxed, is also a question we suppose was not submitted; for this, too, is like the others. If greater burthens are imposed on this institution than is imposed on other tax-payers, the "act," whatever the pretext may be, is alike pregnant with the same weighty consequences.

Believing that the only real point submitted by the reference to be one of fact, viz: Whether this institution has violated any law of the State, we report that "the Ohio Life Insurance and Trust Company" have refused to pay taxes imposed by the legislature of this State.

There has been very great willingness on the part of the company to facilitate the objects of this reference.

All of which is respectfully submitted.

P. P. LOWE, *Special Master Commissioner.*

945 *Interrogatories and answers referred to.*

1st ques. Has the Ohio Life Insurance and Trust Company ever, to your knowledge and belief, engaged in any sort of commercial undertaking other than dealing in drafts and bills of exchange, or has it done the same through any one or more persons with a view to divide the profits of such undertaking among the stockholders or any portion of them? If so, how often? and where?

1st ans. In answer to the first interrogatory I say: The company has not been engaged in any commercial undertaking other than dealing in drafts, bills of exchange, coin, notes, &c., with a view to divide the profits of such undertaking amongst the stockholders or any of them. The company's business has been confined to loans, discounts, dealing in exchange and coin, and receiving money on deposit as authorized by law.

2nd ques. In your report to the supreme court of the State of Ohio, dated Nov. 1, 1852, under chapter first, under the head of "insurance and trust department," you say the aggregate amount of loans on which interest is due and unpaid is $433,952. Please state how much of this sum, if any, is due from the trustees of said company, and how much from the stockholders, and will you assign a reason for its non-payment?

2nd ans. The aggregate amount of loans to the trustees of the company, on which interest was due and unpaid on the 31st of October, 1852, was $9,500. Said interest became due on the 30th September, 1852. No interest was due from stockholders other than the trustees above named, on the 31st October, 1852. I am unable to give any reason why the in-

946 terest due on the above loan of $9,500 was not paid when due; it might have arisen from absence from the city or forgetfulness. It is proper here to remark that in answering the question proposed by the court, "What is the aggregate amount of loans on which interest is due and unpaid?" we include every borrower whether he is a delinquent for a day, year, or any intermediate term. The agents of the company to whom interest is paid, in various counties in the State, do not make their reports and returns oftener than once a month, so that it will readily be perceived that all the loans on which interest is due to the company in the month of October, is embraced in the sum of $433,952. The amount of loans on which interest was due and unpaid—

In the month of August, 1852, was	$34, 680
And in the month of September, 1852	89, 345
And in the month of October, 1852	232, 880
Making an aggregate of	356, 905

Deducting this amount from the total aggregate reported, $433,952, leaves the sum $77,047 only as the aggregate amount of loans on which interest was due for a longer term than three months. The aggregate amount of loans on which interest was due on making up the report of 1852, to the court, was considerably increased in consequence of many borrowers of the company having been enjoined by the auditors of several of the counties of this State growing out of the tax question.

3rd ques. In the same report, under chapter No, 2, you say: "The amount

without interest of loans to individuals not secured by bonds or
947 mortgage, or pledge of stock, is $26,389 34, which is payable as follows: $11,000 on demand and $15,389 34 six months and over, of which $9,793 07 is delinquent for interest." Were these loans made out of your capital stock of $2,000,000? If not, out of what funds? How much is loaned to the trustees or stockholders? What evidence of indebtedness do you hold for this money? What rate of discount was made by the borrower, or interest taken by the company for the same?

3rd ans. In answer to the third interrogatory I have to state that the loans or securities amounting to $26,389 34 were derived from the surplus or trust funds on hand when the transaction occurred, say from the surplus or trust funds, the sum of..... $18, 953 46
Notes and bills received for doubtful debts in the banking department, on which extensions with additional names were given..... 7, 435 88

26, 389 34

No part of the above $18,953 46 was loaned to stockholders except $2,400 to a trustee. No security, other than personal, was taken on these loans, the rate of interest taken not exceeding 7 per cent. per annum. Since the report was made to the court the loans have been reduced to $13,132 81. With the exception of $200, this item of $13,132 81 is, beyond a question, good.

4th ques. By the 19th section incorporating the Ohio Life Insurance and Trust Company, discretionary power is given to the trustees to invest the premium and profits received by the company and the money received by them in trust in a particular way. Will you state what amount of premium,
what amount of profit, and what amount of monies received in trust,
948 in the sense of said section, not absorbed by previous dividends and expense account, you had on hand on the last day of October, 1852, that was in fact available to be used in the manner designated in said section?

4th ans. The amount of premiums on life insurance on the 31st October, 1852 was..... $27, 332 62
Current deposits in trust..... 749, 763 94
Surplus fund and undivided profits..... 172, 650 37

949, 646 93

5th ques. State what amount has been invested by the company out of the three particular funds referred to in question No. 4. In what way it has been invested. Describe the manner of the investment, and interest taken.

5th ans. In answer to your fifth interrogatory I have to say that $597,590 59 have been invested out of the class of funds referred to in question No. 4; of which $26,389 34 have been loaned on personal security only, as stated in an answer to third interrogatory, $268,039 87 upon pledge of stocks, and $303,161 38 upon real estate security. Notes payable on demand have been taken in the above investments, except $15,389 34 of the first class, for which notes having six months or more to run were received, interest at the rate of 7 per cent. per annum.

6th ques. In the same report, above referred to, under chapter No. 3, you say "the amount, without interest, of loans secured by pledge of stock is $268,039 87;" you also say "in addition loans have been made on pledge of notes, secured by mortgage on real estate, amounting to $370,579 79;"

and in chapter No. 4 you say "the loans made in this department
949 upon personal security only amount to $26,389 34." Will you please say whether any means or funds other than those designated in section No. 19 of your charter entered into the above investments, directly or indirectly? You will also state in relation to "stocks pledged for loans," how much more the stock you held amounted to than the amount you actually loaned, the date of each transaction, when the sum loaned was to be paid; and, if not paid, was the stock to be forfeited? What was the amount of interest received by the company in each of these transactions? Separate the bonds from the stock, what rate of interest did the bonds and the stock draw at the time of the transaction?

6th ans. In answer to the sixth interrogatory I have to say that all the investments referred to therein have been made out of the class of funds mentioned in your 4th question, except $67,418 41, which grows out of sales of real estate taken by the company in compromise of doubtful debts and foreclosure of mortgages, and for which sum notes secured by mortgages have been received, bearing six per cent. interest, which have from one to five years to run. The par value of the stocks and bonds pledged for loans is about 33⅓ per cent. more than the amount invested thereon. Some of these investments date back near the commencement of the company's business; others are more recent. Notes payable on demand, bearing 7 per cent. per annum, have been taken, accompanied by a power of attorney (where stocks or bonds form the security) to sell the same in the event of non-payment of principal when called for, or interest when due.

In no case is a forfeiture of stock to the company a condition of the
950 loan; and whenever a sale of stock is made (which rarely occurs) the residue of the proceeds, after payment of loan and interest, is held subject to the order of the borrower. None of the bonds bear a less interest than six per cent., and the dividends heretofore declared upon the stock held by the company have varied in amount, though in no instance, as I believe, have they been less than six per cent. per annum.

7th ques. In chapter No. 5 you say your "deposits in trust department are $1,471,370 94, other than deposits of $365 21 for accumulation." In chapter No. 6 you say "the deposits in the banking department are $1,350,324 23." Please state to what extent these deposits are identically the same sum, if they are not entirely so.

7th ans. In answer to your seventh interrogatory I here say that the deposits referred to by you in trust and banking departments are identical only in the sum of $611,226, which, by a clerical error in the statement to the court, is put down as deposits in the banking department instead of being simply called "capital in banking department," arising from bonds issued by the company in the years 1834 and 1835, at 20 years date.

8th ques. At what length of time have you been in the habit of loaning money in the banking department? Are your notes or bills, made payable elsewhere, paid at your own office? Under chapter six, speaking of the banking department, you say "the amount loaned on bills of exchange is $819, 440 44." Was any of this paid at your own counter? What rate of interest did you charge, and what exchange?

8th ans. In answer to the eighth interrogatory I here say the company has confined its purchases of bills of exchange to those having from one to four months to run. No note has been discounted having more than 100
951 days to run; a large portion of notes discounted had from 30 to 90 days to run. No note or bill of exchange has been purchased payable out of Cincinnati with any understanding or agreement that it should be paid at the office of the company in Cincinnati. Where parties have sold their bills or notes to the company, payable at distant points, and have

applied to the company to order the said paper home, it being more convenient to pay at Cincinnati than elsewhere, current exchange has been charged to parties. The rate of interest charged on notes or bills of exchange has never exceeded six per cent. No exchange has been charged on bills of exchange purchased on the eastern cities, with the exception of a small amount taken during the winter months, while street exchange on all the eastern cities was selling here at a discount of half per cent. On bills of exchange on New Orleans, and various points in Ohio, Indiana, Kentucky, and Missouri the company has charged ½ to 1 per cent. exchange. And further this deponent saith not.

(Signed) CHARLES STETSON,
Pres't Ohio Life Ins. and Trust Co.

STATE OF OHIO, *Hamilton County, ss:*

I, Jacob Burnet, notary public within and for the said county of Hamilton, do hereby certify that Charles Stetson, president of the Ohio Life Insurance and Trust Company, was by me first duly sworn to testify the truth, the whole truth, and nothing but the truth, in answer to such interrogatories as should be put to him; and thereupon I propounded to him each of the foregoing interrogatories, and he made the answers thereunto that are above given. Said interrogatories and answers were reduced to writing by George W. Rice, esq., the interrogatories being copied from originals transmitted by Peter P. Lowe, esq., and the answers from originals written by Charles Stetson, esq. After the copy was completed I administered the oath aforesaid to said Stetson, and then read to him, from this manuscript, each interrogatory, and he, in reply, read from his own manuscript each of the answers aforesaid, word for word in the language aforesaid, and finally subscribed the same as his deposition in the premises.

In testimony whereof, I have hereunto subscribed my name and affixed my notarial, at Cincinnati, in the county aforesaid, this, the fifteenth, day of September, A. D. eighteen hundred and fifty-three.

[SEAL.] J. BURNET, *Notary Public.*

952 *Report of the master commissioner in the matter of the Ohio Life Insurance and Trust Co., to the judges of the supreme court of Ohio.*

To the judges of the supreme court of Ohio:

In compliance with your order of the 14th of February, 1855, appointing the undersigned "a commissioner to examine the Ohio Life Insurance and Trust Company," and, having performed that service, he now makes the following report:

Without any previous notice as to time the undersigned entered upon said examination on Wednesday, the 28th day of March, 1855, and continued the same from time to time until every material fact was ascertained which appeared to be contemplated by said order or by the act incorporating said company. As no definite instructions were given by the court by which the examination should be directed, nor any statement of the company made to the court, to which reference was required, the undersigned, in the performance of this duty, has acted generally from the dictates of his own judgment, having constantly in view the several provisions of the act by which said company was made a corporation and authorized to transact its peculiar business. Much, however, that might be expected in this report will be found in the reports of previous commissioners appointed by the
953 court, to which reference is respectfully made. The very large amount of pecuniary and financial operations of the company since it first commenced business precludes the examination by any one person of

particular items, the accuracy of its accounts as to dates, sums, and their incidents, and only a general view of its operations and existing condition can be presented under the above-named order. The officers of the company manifested every disposition to have the examination as thorough and particular and extensive as the undersigned deemed necessary; and in furtherance of that object, afforded him every facility to ascertain the truth. No book or document was withheld from his inspection, but, on the contrary, a commendable desire was expressed that he should have a view, not only of all the books, vouchers, and documents, but a knowledge of the manner in which the accounts and records are made and kept. Every explanation asked for was promptly made, and a ready access given to all the means of information necessary to a correct understanding of the administration of its affairs. And it is but justice to the company to state that the classification of its books and records, and the arrangement of its documents and vouchers are so perfect and complete that an entry way be referred to, and any document may be had almost instantly; and the financial or pecuniary state and condition of the institution, at any time since its business operations commenced, can be ascertained at the close of any year, month, or week, with but a few hours' labor or time.

The act incorporating said company was passed February 12th, 1834; the company was duly organized by the election of its first board of trustees on the 30th day of September, 1834, and on the 12th day of November, of
954 that year, the governor of the State, in pursuance of the 13th section of said act, issued his proclamation declaring said company duly organized and competent to transact business under the provisions of its charter.

The whole capital stock of the company, $2,000,000, was subscribed previous to its commencing business; $500,000 of which was paid by the 27th day of August, 1834; and all of which was paid in before the 2nd day of February, 1836. Of this capital stock, when the company first commenced business, $416,500 was owned in Ohio, at the present time only $182,800 is owned in this State, and that by 50 persons, the whole number of the present stockholders being 528. Its principal officers are a president, secretary, and cashier. These have been, and are, the president, Micajah T. Williams, from November, 22nd, 1834, to November 18th, 1843; and Charles Stetson, from November 18th, 1843, to the present time. The secretary, Samuel R. Miller, from November 22nd, 1834, to April 12th, 1843; Samuel E. Foote, from April 12th, 1843, to November 19th, 1849; and William Green, from November 19th, 1849, to the present time. And the cashier, Joshua N. Perkins, from November 22nd, 1834, to July 12th, 1843; William M. Vermilye, from July 12th, 1843, to October 1st, 1848; George S. Coe, from October 1st, 1848, to January 1st, 1853; Charles W. Rockwell, from January 1st, 1853, to February 14th, 1855; and Edwin Ludlow, from February 14th, 1855, to the present time. In all cases new appointments have been the results of resignations of the incumbents. And it should here be remarked that no losses, of any consequence, have been sustained by the company through the misconduct or delinquency of any of its officers clerks, or agents.

955 The entire business operations of the company is embraced in two distinct branches, the life insurance and trust department and the department of banking; the records of each are kept separate from each other, as much so as if they were goverened by different corporations, though under the general control of the same board of officers; and the accounts with each other are kept with the same formality as if they had no legal or official connection. All moneys received by the life insurance and trust department, from whatever source, are deposited in the department of bank-

ing, and drawn out only on checks signed by the secretary. This regulation includes all sums (not less than $100) deposited in the trust department, for which certificates bearing interest are given. The present rates of interest per annum allowed by the company are, on sums not less than two and under five months, 3 per cent.; for five and under twelve months, 4 per cent., and 4½ per cent. for any longer time than a year. On the 1st day of March last the total amount of existing deposits, for which the company had given certificates bearing interest, was $350,453 54, of which $110,381 are for twenty years, and the remainder for one year or less. A branch of the banking department, called an agency, has been almost from the commencement established in the city of New York, at which the principal cashier resides, and under whose immediate supervision its operations there are conducted. Through this agency all the pecuniary or money business of the company in that city is transacted; semi-monthly returns or reports of which are made and transmitted to the office at Cincinnati. At this agency, also, all transfers of the capital stock of the company, not owned in Ohio, are made and recorded.

By the 7th section of the act incorporating said company it is re-
956 quired to invest its whole capital stock "in bonds or notes drawing interest not exceeding seven per cent. per annum, secured by unincumbered real estate within the State of Ohio of at least double the value in each case of the sum so secured, and not more than one fourth of which capital shall be loaned on real estate in any one county." A debatable question may arise in the construction of this section, whether the company is bound to keep its entire capital stock of two millions of dollars at all times invested in this manner. The language used, though of a positive character, is indefinite as to time; and it may be decided, without any violation of the legal rules of construction, that when the whole capital has once been so invested, the obligation imposed by the charter has been substantially complied with. It would be unreasonable to expect, with every practical effort to meet the requirements of the law, that the entire capital stock, the exact sum, would, at all times, be kept so loaned on mortgage security. The payment of one or more notes or bonds, within a short period of time, would reduce the amount, and months might elapse before a reinvestment could be made. And besides the interdiction that no one county shall receive more than one fourth of said capital, there may be times in which aplications would not be made, with ample security offered, for loans sufficient to absorb the whole amount. In such cases is that portion of its capital not so loaned to remain on hand unemployed and unproductive? But whatever may be the construction of this section, the company invested its entire capital stock, as near as practicable, in compliance with its provisions, not calling in or demanding the principal, in any case when the in-
957 terest had been promptly paid; and so continued until May, 1852, when a notice was given to all the borrowers that after two years from that date the principal would be required to be paid. This notice was given in accordance with one of the by-laws of the company, and which forms one of the conditions on which all such loans have been made. The reason assigned by the company for this measure is the large increase of taxes imposed upon it by the legislature, which they contend their charter does not warrant, and which, if ultimately decided to be legal and valid will compel them to close up their business and discontinue the exercise of their corporate rights and powers. The whole number of loans that have been made under this sections are 3,616, and the amount at this time loaned in the several counties is $1,386,326 20, on real estate security valued at $3,830,245, as will more particularly appear from Schedule A, hereunto annexed. The amount of losses sustained by the company under this

section is $6,434 76, in ten cases. It should here be stated that the company have now out on loans, at 7 per cent. secured by stock and real estate, the sum of $976,794 39, which, though not loaned strictly within the said seventh section, yet a considerable portion of it is on real estate security, which, if added to the above sum of $1,386,826 20, would amount to nearly its whole capital stock.

In section 2 of said act of incorporation the company were invested with powers "to make insurance on lives," "to grant and purchase annuities," and "to make any other contract involving the interest and use of money and the duration of life." Under this provision of its charter the company has issued 310 life insurance policies, of which 72 yet remain open; no unadjusted claims for losses now exist. By statement B it will be seen that on the 1st day of March last there were accumulation of premiums on life insurance, the sum of $37,342 50, which is reserved by the com-
958 pany to meet any losses that may arise upon the death of persons whose lives are insured.

By the 23d section of its charter banking powers were granted to the company, with certain restrictions therein named, to continue until the year 1843. Under this section there were issued notes payable to bearer, and which passed into circulation to the amount of $908,390, all of which had been redeemed up to the first of March last, except $4,075, and to the present time all except $3,355. Since the close of the year 1842 the company has issued no such notes, nor has it transacted any business, or exercised any rights which is not competent for any individual to transact and exercise under the laws of the State, which is in perfect consistency with the 26th section of their act of incorporation. There now remains in their charter no franchise, prerogative or right, which does not pertain to any private citizen; yet a restriction is imposed upon them not to receive more than six per cent. per annum for money loaned, from which every citizen is exempt.

The company has exercised no rights, performed no duties, and incurred no responsibility under sections 3, 4, 5, and 6 of their act of incorporation, not having been appointed a trustee or guardian on any estate or property named or contemplated in either of said sections; nor has a loan been made to any trustee beyond the limit prescribed in section 17; nor has the company suspended payment at any time for more than thirty days, as named in section 23. Two suspensions, however, have taken place for a shorter period of time; one on the 17th day of May, 1837, for 28 days, and the other on the 18th day of November, 1839, for 25 days. The pecuniary condition of the company on the first day of March last is exhibited in
959 statement B, hereunto annexed, by which it will appear that its ability to meet all its obligations without impairing the value of its capital stock is beyond reasonable doubt. This statement is made from the regular entries on its books of accounts, in the verity of which, from the examinations he has made, the undersigned has entire confidence. The items from 3 to 14, in the means of the life insurance and trust department, constitute the funds which the company have invested under the 19th section of the act of incorporation, amounting in all, at the per value, to $523,580 50, which were purchased for $472,958 22, drawing an interest from 6 to 10 per cent. per annum on the par value. The investments are considered by the officers of the company both safe and profitable, the interest thereon having been punctually paid, and the undersigned has found no reason to doubt the fact.

The suspended debt, item 15, in the means of the company of the sum of $41,789 42 is an amount for which no certain and valid security has been obtained, and some portion of which is considered of doubtful availability.

Item 16 of real estate owned by the company in Ohio, Indiana, and Illinois, including the banking-house and lot in Cincinnati, is put down at the cost $82,607 03, to which should be added item 5, in the means of the banking department for real estate owned by the company in Buffalo, New York, $23,002 21—in all $105,609 24; but it is now estimated by competant judges at more than $258,000, its present value. The item 17, of contingent taxes, amounting to $60,924 25, is thus explained by the officers of the company: A small portion of it is for taxes paid on real property mortgaged to the company to preserve the validity of the legal title, and the remainder is for taxes paid by the company more than they consider warranted by their charter.

In the years 1848 and 1849 the company sustained very large and unexpected losses in consequence of the failures of the Nashville Insur-
960 ance Company, a banking-house in London, and others, which previously had the public reputation of the most substantial credit and solvency, amounting in all to nearly $900,000; all of which has been refunded to the capital stock out of the income of its business, the surplus fund then on hand, and forbearing to make any dividends in July, 1848, and January and July, 1849. These losses are not estimated or included in the present means of the company, and only about $40,000 of the amount has yet been received; but whatever may hereafter be recovered from these defaulters—and strong hopes are entertained that some portion of it will be ultimately realized—will be added to its available funds.

It may well be remarked that but few institutions in our country, so extensive in its operations and with such widespread dealings, could have withstood the loss of so large a portion of its funds, and at the same time preserve the integrity of its capital without any perceptible embarrassment of its business. This result must be attributed to the ability, fidelity, prudence, and probity with which the administration of its financial concerns have been conducted, and to an adherence to that well-known maxim, "honesty is the best policy." By this policy the company have secured to its stockholders the full value of their interest in the institution, and to the public entire confidence in its ability to meet all its engagements. Yet with these heavy losses thirty three semi-annual dividends have been made, commencing in January, 1836, and ending in January, 1855, the highest of which was 4½, and the lowest 3 per cent., amounting in twenty years to 128¼ per cent., equal to 6.04 per cent. per annum, and have now on hand a surplus unappropriated fund of $281,630 55, held to meet any future demand upon its resources.

961 From all the examinations the undersigned has made, and they have been ample, he has not been able to learn that the corporate franchise and powers granted to this company have in any instance been violated or transcended. It appears to have been solicitous from the commencement of its operations to confine itself within the legal limits of its charter, and to avoid every dereliction of duty. Its capital stock has been preserved, to the present time, in the fullness of its integrity, and there is now no probability of its value being impaired by any contingency yet seen in its future operations.

The undersigned is instructed in the language of the 20th section of the act incorporating said company, "to report his opinion in relation to the ability and integrity with which its affairs are conducted, the prudence and safety of its investments, the security afforded to those by whom its engagements are held, and the advantage derived by the public from its operations." In the preceding part of this report will be found a full reply to the above, except the last clause, in relation to "the advantage derived by the public from its operations." Individual opinions on such subjects are of little value

unless connected with a personal knowledge of its whole business transactions through all the ramifications of its incidents and results. The investment of the capital stock of the company in loans secured by mortgage on real estate as required by the seventh section of its charter, in the opinion of the undersigned, is founded in good policy, and has resulted greatly to the advantage and benefit of the agricultural interest of the State. It has relieved many of our farmers from the pressure of immediate claims, enabled them to improve and cultivate their land more profitably to themselves and thereby indirectly benefitting the whole community. This
962 has been manifested from the almost universal punctuality with which the interest on such loans has been met, and the very numerous instances in which the principal has been paid when no demand has been made therefor. The company was the agent of the State in New York City, from Oct., 1839, to Jan., 1853, for the reception and payment of the semi-annual interest on the State debt, and for keeping the stock books and entering and recording all transfers of State stocks for which it received an annual compensation, including clerk hire, of $2,000. This agency was undertaken at a time when the finances of the State were exceedingly depressed, and but for a temporary advance of funds made by the company at one time the high credit of the State would have suffered. The undersigned will only add the opinion and language of Judge Birchard in his report of June, 1850, which is adopted as applicable to the present time, "that the institution as now conducted is of general advantage to the public, particularly so to the business community at this point. It affords a safe place of deposit at all times, facilitates collections, disbursements, and remittances to distant points, and has a tendency to keep stable the rates of exchange at something near the actual cost of such operations.

All of which is respectfully submitted.

Cincinnati, April 13, 1855.

ELIJAH H. YWARD, *Commissioner.*

963 A.

Statement of loans of capital in the several counties in Ohio.

Counties.	Investments.	Securities.
Allen	$2, 700 00	$6, 800
Ashtabula	2, 300 00	7, 500
Brown	7, 100 00	25, 207
Butler	121, 993 00	324, 631
Belmont	2, 989 32	13, 185
Cuyahoga	91, 408 37	245, 090
Coshocton	900 00	30, 000
Columbiana	10, 219 18	39, 088
Carroll	4, 650 00	24, 562
Clinton	7, 500 00	17, 980
Clermont	27, 306 64	77, 939
Clark	34, 303 64	107, 369
Champaign	40, 044 77	120, 416
Crawford	2, 700 00	7, 000
Delaware	2, 350 00	11, 072
Darke	4, 800 00	21, 075
Erie	4, 260 00	8, 520
Fairfield	20, 807 37	44, 028

Statement of loans, &c.—Continued.

Counties.	Investments.	Securities.
Franklin	$67, 893 54	$172, 561
Fayette	1, 300 00	4, 200
Geauga	250 00	500
Gallia	3, 800 50	10, 200
Greene	32, 772 33	90, 751
Guernsey	1, 200 00	2, 600
Huron	12, 505 50	30, 500
Hamilton	460, 966 51	1, 121, 895
Hardin	200 00	480
Harrison	12, 925 00	38, 860
Holmes	5, 840 33	18, 620
Henry	1, 500 00	3, 060
Jefferson	4, 440 00	11, 750
Jackson	1, 000 00	3, 000
Knox	14, 345 90	45, 950
Licking	275 00	750
Lorain	6, 822 73	19, 018
Logan	857 10	4, 300
Lucas	15, 781 00	36, 245
Miami	13, 061 10	48, 137
Madison	5, 163 64	10, 535
Marion	14, 349 18	30, 169
Morgan	1, 850 00	6, 476
Monroe	2, 600 00	6, 600
Montgomery	38, 507 67	109, 304
Muskingum	2, 550 00	9, 440
Medina	1, 447 25	5, 500
Mercer	1, 795 00	5, 500
Ottawa	500 00	1, 000
Paulding	1, 200 00	2, 400
Pickaway	57, 900 00	154, 026
Preble	4, 400 00	16, 649
Portage	8, 650 00	22, 906
Perry	1, 242 00	3, 729
Pike	2, 500 00	5, 500
Ross	28, 864 69	95, 360
Richland	3, 140 60	9, 405
Sandusky	7, 441 74	19, 053
964 Shelby	3, 160 00	6, 850
Scioto	9, 800 00	20, 350
Seneca	33, 879 00	100, 565
Starke	25, 828 64	119, 809
Trumbull	1, 000 00	3, 000
Tuscarawas	13, 161 72	47, 500
Union	3, 800 00	14, 918
Van Wert	2, 600 00	6, 195
Vinton	5, 600 00	13, 500
Wayne	3, 050 00	21, 760
Williams	3, 500 00	7, 000
Wood	4, 796 49	13, 593

Statement of loans, &c.—Continued.

Counties.	Investments.	Securities.
Warren	$44, 579 75	$139, 813
Washington	900 00	4, 400
Wyandotte	1, 000 00	2, 600
Total	1, 386, 826 20	3, 830, 245

G. W. RICE, *Bookkeeper.*

965 B.

Statement of the condition of the Ohio Life Insurance and Trust Company.

Means of the banking department:

1. Notes and bills discounted	$1,515,817 48	
2. Amount due from banks	104,595 64	
3. Cash, viz: bank notes	345,284 00	
4. specie	31,814 18	
5. Real estate at Buffalo, N. Y.	23,002 21	
6. Judgments and suspended debt	327,828 80	
7. Funds in transitu	8,353 80	
8. Trust department	208,244 91	
		$2,564,941 02

Means of the insurance and trust department:

1. Capital secured by mortgage on real estate, 7 per cent. interest	$1,386,826 20	
2. Notes secured by stocks and real estate, 7 per cent. interest	976,794 39	
3. Bonds of several counties in Ohio, 6 and 7 per cent., $60,880 50, cost	51,088 50	
4. Bonds of Dayton Township, Ohio, 7 per cent., $15,000, cost	13,125	
5. Bonds of Decatur County, Indiana, 7 per cent., $10,000, cost	8,000	
6. Bond of First Pres. Church, Cin'ti, 6 per cent., $22,000, cost	11,644 72	
7. Bonds of Cin., Ham., and Dayton RR. Co., 7 per cent., $200,000, cost	180,000	
8. Bonds of Junction Railroad Co., 10 per cent., $125,000, cost	125,000	
966 9. Bonds of Mansfield and Sand. RR. Co., 7 per cent., $30,000, cost	25,000	
10. Bonds of city of Dayton, Ohio, 7 and 8 per cent., $30,000, cost	29,100	
11. Bonds of city of Cincinnati, 6 per cent., $1,000, cost	900	
12. Bonds of city of Covington, Kentucky, 6 per cent., $4,000, cost	3,200	
13. Stock of Cin., Ham., and Dayton RR. Co. $25,000, cost	25,400	

Brought forward	$2,836,078 80	$2,564,941 02
14. Stock of Madison, Ind., and Peru RR. Co. $700, cost	500	
15. Suspended debt	41,789 42	
16. Real estate in Ohio, Indiana, and Illinois, including banking-house and lot in Cin'ti.	82,607 03	
17. Contingent taxes	60,924 25	
		3,021,899 51
		5,586,840 53

Liabilities of the banking department:

1. Twenty-year bonds	$311,000	
2. Deposits	1,537,905 90	
3. Circulation	4,075	
4. Amount due to banks	412,131 56	
5. Amount due to office in New York	267,645 38	
6. Profit and loss	32,183 18	
		$2,564,941 02

967 Liabilities of the insurance and trust department:

1. Capital stock	$2,000,000	
2. Deposits for twenty years	110,381	
3. " one year and less	240,072 54	
4. Trust of accumulation	370 93	
5. Premiums insurance on life	37,342 59	
6. Dividends unclaimed	66,738 50	
7. Deferred interest	31,515 35	
8. Miscellaneous account	20,932 91	
9. Banking department	208,244 91	
10. Surplus fund	281,630 55	
11. Profit and loss	24,670 23	
		3,021,899 51
		5,586,840 53

Cincinnati, March 1, 1855.

C. STETSON, *President.*

968 In explanation of answer to question , page , I would state that the books of the trust department there appeared outstanding:

Twenty year bonds		$96, 381
Sept. 12th, 1857, there was charged to this account	$22, 000	
This amount having been paid at the New York office Aug. 8th, 1857, and charged to the office at Cincinnati, Sept 26, 1857, this is further charged with the sum of	12, 381	
the same having been paid at the New York office, Aug. 20, '57, and charged to office at Cincinnati.		
The two amounts		34, 381
Deducted from the amount 96,381 as shown by the books, Aug. 27, '57, would give		62, 000

as the amount due Sept. 26, the date of the assignment. The trustees, J. P. Kilbreth, and C. Remelin, have taken up the most of the certificates included in said $62,000 issuing in place thereof their own certificate of amount due the holder of said certificates.

I annex copy of one of said certificates taken up, which will, I believe, show them to have been issued in extension of the unequal issue of twenty-year bonds.

S. P. BISHOP.

969 The twenty-year bonds constituting in part the capital of the banking department and included in my answer to question , page , appear in the several accounts as follows:

30,000 in New York acc't Oct. 29, 1855, banking department Dec. 20th, 1855, in trust department Jan. 4, 1856.

30,000 in New York acc't Oct. 29, 1855, in banking department account Dec. 20th, 1855, in trust department Jan. 4, 1856.

35,000 in New York acc't Nov. 21, 1855, in banking department acc't Dec. 20, 1855, in trust department Jan. 4, 1856.

6,000 in New York acc't Dec. 1st, 1855, in banking department account Dec. 22d, 1855, in trust department Jan. 4, 1856.

31,000 in New York Dec. 1st, 1855, in banking department acc't Dec. 22, 1855, trust department Jan 4, 1856.

10,000 in New York acc't Dec. 5, 1855, in banking department account Dec. 22, 1855, in trust department Jan. 4, 1856.

6,000 in New York acc't Dec. 18, 1855, in banking department account Jan. 23, 1856, in trust department Jan. 31, 1856.

75,000 in New York acc't July 1, 1856, in banking department account April, 30, 1856, in trust department April 30, 1856.

Prior to Feb. 18, 1854, the capital of banking department was credited with certificates of deposit, issued payable 12 months after date. On this date, Feb. 18, 1854, there was in circulation certificates amounting to $11,226, which were charged out of said account, leaving the bank capital at $600,000—in Phenix B'k bond $200,000, U. S. B'k $400,000.

Feb. 18, 1854, $89,000 are charged off the bank at Cincinnati; the
970 date of payment in New York I have not been able to ascertain.

Feb. 28, 1855, $200,000, the bonds issued to Phenix Bank are charged off in the books at Cincinnati; date of payment in New York I have not been able to ascertain.

Jan. 28, 1855, $88,000 are charged off on the books at Cincinnati; date of payment in New York I have not been able to ascertain.

From the above it will appear the capital of the banking department was charged off as follows:

1854, Feb. 18	$11,226
1854, Feb. 18	89,000
1855, Feb. 28	200,000
1855, June 28	88,000
1856, Jan'y 4	30,000
1856, Jan'y 4	30,000
1856, Jan'y 4	35,000
1856, Jan'y 4	6,000
1856, Jan'y 4	31,000
1856, Jan'y 4	10,000
1856, Jan'y 31	6,000
1856, April 30	75,000
	611,226

S. P. BISHOP.

971 Ohio Life Insurance and Trust Company, Cincinnati.—Capital $2,000,000.

$18,000. No. 110.

STATE OF OHIO, *United States of America:*

Certificate of deposite.—Five per cent.

This certifies that James G. King and Archibald Gracie King, ex'rs of James G. King, have deposited with the Ohio Life Insurance and Trust Company the sum of eighteen thousand dollars, for the period of twenty years, commencing on the 10th of July, 1838, and ending the 10th of Jan'y, 1858, and irredeemable or period, or to bear interest at the rate of five per cent. per annum, which interest is payable half yearly by the said Ohio Life Insurance and Trust Company to the said Jas. G. and Arch'd G. King, ex'rs, or their assigns, at their transfer office, in the city of New York. At the end of the time of deposite, the said principal sum of eighteen thousand dollars, with interest due thereon, shall be paid in the city of New York, by the Ohio Life Insurance and Trust Company, to the said James G. King and Arch'd G. King, or their assigns. This certificate is assignable on the books of the company in New York.

In witness whereof, the Ohio Life Insurance and Trust Company has caused the signature of the cashier to be hereunto affixed, New York, this 13th day of January, 1854.

(Signed) C. W. ROCKWELL, *Cashier.*

972 UNITED STATES OF AMERICA,
Southern district of Ohio, ss:

I, Joseph H. Geiger, clerk of the circuit court of the United States within and for the seventh circuit and southern district of Ohio, do hereby certify that the foregoing is a true and accurate copy of the documentary evidence used in this court, on the trial of the cause of Bell & Grant against the Ohio Life Insurance and Trust Company and others, as the same are on file in this office.

In testimony whereof, I have hereunto subscribed my name and [SEAL.] affixed the seal of said court, this 16th day of December, A. D. 1863, and of the independence of the United States of America the 88th.

JOS. H. GEIGER, *Clerk.*

UNITED STATES SUPREME COURT

DECEMBER TERM, 1864.

No. .

THE OHIO LIFE INSURANCE AND TRUST COMPANY,
and Others, Defendants,

ads.

BELL AND GRANT, Complainants.

POINTS AND ARGUMENT FOR DEFENDANTS.

By V. WORTHINGTON, Solicitor.

UNITED STATES SUPREME COURT,

DECEMBER TERM, 1864.

THE OHIO LIFE INSURANCE AND TRUST COMPANY AND OTHERS, DEFENDANTS,

ads.

BELL AND GRANT, COMPLAINANTS.

} IN CHANCERY.

SUCCINCT STATEMENT OF CASE.

1. The complainants by their bill claim to be judgment creditors of The Ohio Life Insurance and Trust Company, and that they can not collect their judgment by ordinary legal process, and can be relieved only in equity, by charging the defendant trustees of said corporation for malfeasance and misfeasance in office, as alleged in their bill.

2. To this claim, the defendant trustees interpose three defenses: *First*, If it be true, in fact, that they are liable for malfeasance or misfeasance, as charged in said bill, and said charges are so made as to entitle the complainants to relief, then they say the Court can grant the complainants no relief upon their bill against them, because at the time said bill was filed, there was not subsisting in said corporation any such liability against them; and if such liability or right of action ever did exist, it passed from said corporation *bona fide*, by the assignment of September, 1857,

for the benefit of the creditors of said corporation. *Second*, That if it did not pass by said assignment, then, by the dissolution of the said corporation by the judgment of ouster against it in the Supreme Court of Ohio, on proceedings in *quo warranto*, instituted before the filing of complainants' bill and pending when said bill was filed, and entered while said bill was pending, and before any final order thereon, it passed by the laws of Ohio to the then Board of Directors of said corporation as statutory trustees to wind up said corporation, for the uses and in the manner by law directed; and can not be reached by said bill. And, *Third*, The defendant trustees say they were not guilty of malfeasance or misfeasance as charged in said bill.

As counsel for the defendant trustees, we rest their defense upon the following points:

POINTS FOR DEFENDANTS.

I. The trustees of The Ohio Life Insurance and Trust Company are liable to the corporation for misfeasance or malfeasance in office, but are not directly liable to creditors, nor to stockholders.

12 Metcalf Rep. 371.

II. Such liability can be reached in chancery by a creditor or a stockholder in a proper case, and upon proper averments.

15 Howard Rep. 304.
16 Howard Rep. 288.
18 Howard Rep. 480.
23 Eng. Law and Eq. Rep. 315.
9 Hare Rep. 141.
2 Hare Rep. 491.
8 Peters' Rep. 281.
11 Paige Chy. Rep. 181.

III. The complainants, for themselves and for other creditors, like themselves, have the right to invoke the aid of this Court to subject such a right subsisting in the corporation at the time of their bill, to the satisfaction thereof.

15 Howard Rep. 304.
16 Howard Rep. 288.
18 Howard Rep. 486.

IV. The judgment of the Supreme Court of Ohio ousting The Ohio Life Insurance and Trust Com-

pany of its franchises, forms no bar to the complainants' right to subject the liability of the trustees to the corporation for malfeasance or misfeasance, to the satisfaction of their judgment. This may be admitted for the present.

1 Swan & Cr. 1860, pp. 363–365.
2 Swan & Cr. 1860, pp. 1266, 1271.

V. But such liability at the time of the bill, filed in the life of the corporation, must be then a subsisting right of action in the corporation. If such right has passed from the corporation by release, satisfaction, assignment or operation of law, then, such right can not be reached by a creditor's bill against the corporation and trustees, because such right no longer belongs to the corporation, and can not be subjected to the payment of its debts, nor to distribution among its stockholders.

The complainants by their bill must show they are judgment creditors, their ordinary remedies at law so obstructed, that they can not get relief, except through equity; and this liability to be a sub-

sisting right in the corporation at the time of the bill and chargeable in equity with the payment of their judgment. These averments are, we admit, *ex gratia argumenti*, substantially made in the bill, and as made, must be proven, if not admitted, to entitle the complainants to relief. Now, how stands the case? They prove their judgment and the obstruction to their ordinary remedy at law. So far, so good. But how as to the other element in their case? They totally fail to prove the right sought to be subjected to their judgment to be a subsisting right in the corporation at the time of the bill or since. On the contrary, the record shows this right to have passed from the corporation by assignment long before the bill was filed, and at the present time to subsist in a trustee or receiver appointed by another Court, who holds the same for the purposes of his trust beyond the reach of the complainants, through the aid of this Court under their bill, as now presented for consideration.

14 Howard Rep. 374.
17 Howard Rep. 157.
18 Howard Rep. 503.
20 Howard Rep. 584, 607.
23 Howard Rep. 106.

VI. Such liability being not a personal tort, may pass by an assignment or alienation, and will pass under the denomination or description of *personal property. rights of action, choses in action, liabilities, effects, assets, rights, claims or demands.*

12 Wend Rep. 297.
19 Wend Rep. 73.
2 Denio Rep. 61.
4 Denio Rep. 80.
2 Kernan Rep. 622.
3 J. J. Marsh. Rep. 11, 13.
1 Peters' Rep. 196, 218.
16 Peters' Rep. 221.
9 Serg. & Rawle Rep. 244.
13 Serg. & Rawle Rep. 34.
11 Paige Chy. Rep. 183.
7 Ohio State Rep. 37.

VII. An insolvent corporation may make an assignment for the benefit of creditors. In Ohio no preference can be given. The laws of Ohio are general and without limitation, and apply as well to corporations as to natural persons.

2 Wheat. Rep. 373.
12 Howard Rep. 225.
2 Comstock Rep. 343.
3 Barb. Chy. Rep. 119, 124.
3 Wend. Rep. 13.
2 Stewart (Ala.) Rep. 401.
6 Gill. & John. (Md.) Rep. 205.

11 Vermont Rep. 385.
12 New Hamp. Rep. 431.
4 Ark. (Ark.) Rep. 403.
5 Watts & Sergt. (Pa.) Rep. 223.
9 Watts & Sergt. (Pa.) Rep. 27.
3 McLean C. C. Rep. 397.
Swan's Ohio Stat. 1854, page 468.
1 Swan & Cr. Ohio Stat. 1860, page 712.

VIII. The assignment made by The Ohio Life Insurance and Trust Company in September, 1857, is a valid assignment and passed to the assignees this liability, whatever it was, that is sought to be subjected by the present suit to the satisfaction of the complainants' judgment. Such an assignment of such an interest is sanctioned by Ohio law, and it is by that law, this Court is now governed in ascertaining the rights, duties and obligations of the respective parties.

3 Howard Rep. 483.
7 Ohio State Rep. 37.
7 Paige Chy. Rep. 70, 180.
2 Story C. C. Rep. 630.

IX. In order to ascertain what passed under the assignment we look to the terms of the deed, and from them learn the subject matter of the grant and the objects covered by it. The grantor's opinion out of the deed of what was the subject of the grant, is of no consequence. His expressed intention in his deed controls us, and we look to it, and it alone to ascertain the subject and object of his grant. It is the witness, and it alone speaks. It is quite true the trustees, who ordered the execution of this deed of assignment, admit no such liability as that sought to be enforced by this bill against them. That is their opinion and their belief and their judgment; but if, as a matter of fact, such liability did exist, it passed, and was intended to pass, by the deed of assignment.

X. There is no objection to this assignment, in consequence of its being made to six of the trustees. They were competent to take, and the grant to them does not merge this liability, but passed it to them for the purposes of the trust. Had the grant been to them for their own use, then, the merger would have been complete, but it being for

other uses, inconsistent with a merger, it can not take place. In equity a merger is never allowed, unless for special reasons, to support the intention of the parties. Equity never suffers a trust to merge if justice requires it should not, and it ever interposes to protect and support the interest of the *cestui que trust*. Such is Ohio law.

5 Ohio Rep. 72.
4 Kent Com. 102.
1 P. Williams' Rep. 41.
1 Atkins' Rep. 592.

XI. The assignment to Kilbreth and Reemelin, under the order of Court, by the assignees, transmitted to them this liability as it was transmitted to the assignees.

XII. The complainants, having accepted the benefits of the assignment by participating in the distributions

under it, are estopped to deny its validity. We do not mean by this, they can not contest the measure, extent and object of the grant, but that when they are ascertained, the complainants are concluded and bound by the terms of the grant.

XIII. If we be in error so far, and the points above taken be illogical and fallacious, we turn to other aspects of the case as presented by the record to see what defense can be made to the relief sought by the complainants. Here, let it be observed, the complainants, if relieved at all, must be relieved upon the case made by their bill, and not otherwise. Their bill is a creditor's bill, filed to charge the assets of a corporation with the payment of their judgment, in consequence of the obstructions existing and in their way, according to the ordinary proceedings at law. They seek relief upon no other grounds, and upon no other grounds can they have it. Let us now turn to the record, and see if there be any other impediments in their way other than the assignment, which, for present purposes, we consider out of the way, and of no validity whatever.

The record shows, before the complainants filed their bill, a writ of *quo warranto* had been filed to oust The Ohio Life Insurance and Trust Company of its corporate franchises, and the case was then pending before the Supreme Court. Since the complainants filed their bill, the Court has rendered its judgment ousting the corporation of its franchises, simply, without appointing trustees under the *quo warranto* statutes, to take charge of the assets of the corporation.

The question arises, supposing the assignment out of the way, what becomes of the assets of the corporation upon dissolution by the judgment of ouster? and the still further question, what hold did the complainants get upon the assets of the corporation, pending the *quo warranto* proceedings, and the effect of the *quo warranto* judgment thereon?

By the laws of Ohio, upon the dissolution of a corporation by judgment of ouster, or otherwise, if no trustees be appointed under the *quo warranto* laws, by the ousting Court, the last Board of Directors or Managers, are constituted trustees to take charge of the assets of the corporation for the benefit of the creditors and stockholders, and by operation of law, the title of the corporation vests in them as such trustees. Under the *quo warranto* laws the Court, adjudging upon a *quo warranto*, may or may not appoint trustees. 2 Swan & Crich. Stat. of 1860, page 1271, sec. II. of act of 1845. If it does, the trustees take title

and control by devolution. If it does not, the Board of Directors, at the time become trustees to wind up the corporation, pay its debts and distribute the balance among the stockholders. 1 Swan and Crich. Stat. of 1860, page 363, sec. XIV. of act of 1842. The corporation ceases to exist The directors cease to be directors, and are turned by law into statutory trustees for the uses and purposes indicated by the law.

Supposing the assignment in this case out of the way, and the complainants' bill out of the way, upon the dissolution of the corporation, by the judgment of ouster its assets would have passed to the then Board of Trustees under the law to be administered for the uses and in the manner the statutes of Ohio authorize and direct. Of this there can be no question, and we pass from the point without further comment.

But the complainants' bill was then pending, and what hold did it obtain upon the assets of the corporation or any part of them? We answer, it was filed pending the *quo warranto* proceedings, and obtained no hold but in subordination to the *quo warranto* proceedings when carried into judgment. If there had been no judgment of ouster, the hold of the bill would have been complete, as far as it held anything. But the *quo warranto* proceedings being perfected by a judgment of ouster, the assets of the corporation passed to the trustees indidicated by law, and the bill takes nothing and holds nothing, as the jurisdiction of the Court in

quo warranto overrides and supervenes the jurisdiction of the Court under the complainants' bill, filed *pendente lite* of the *quo warranto* proceedings.

In this aspect of the case, upon this hypothesis, the complainants can have no relief, because by operation of law, a destination is given to the assets of the corporation inconsistent with the prayer of the complainants' bill, and the relief by it sought. It is not competent for any creditor to intervene by bill against a corporation *in limbo*, and thereby arrest the destination of its assets in case it is scotched, and defeat the equitable distribution contemplated by law. This we claim can not be done, and the complainants can not be relieved upon their bill as at present constructed. If they assert any claim against these substituted trustees, then let them make a case against them, and as such bring them before the Court. Under the present bill this Court can give no such relief.

XIV. If the above points are well taken, the complainants are not entitled to the relief sought by their bill, and no further examination of the case will be necessary. But if they are not well taken, then, we come to another question: Are the trustees in-

dividually or otherwise liable upon the case made by the pleadings and proofs for malfeasance or misfeasance? Upon this branch of the case, we propose to do but little more than to refer the Court to the brief of Worthington & Matthews in the Court below, herewith handed to the Court, and the brief of Mr. Curwen for Nathaniel Wright, and the following extract from the written (not printed) brief of Mr. Thomas Ewing, our associate counsel in the Circuit Court, to-wit:

"But this bill is not so framed as to make a case in a Court having jurisdiction. If all the facts set up in the bill be admitted, no decree can be thereupon rendered against any of the trustees, defendants.

Now, I believe, it is conceded, at any rate the law is so, that one trustee is not chargeable for the misconduct of another, either for his acts of commission or omission. Each is accountable for himself only. The case then is, as to each trustee, as if a separate bill had been filed against each. The fact that *all* are included in one bill, does not affect the necessary certainty of pleading as to each. The bill charges heavy loss and insolvency, occasioned by divers acts of omission and commission, done by divers men, some of whom are parties defendants; others (as the New York trustees) are not parties, but no individual is designated as having omitted any duty imposed upon him by the charter, or assumed by him, but each is one of a multitude, who are accused of simony. It is clear that no one trustee is liable for the sins of another. It is equally clear that no one trustee is required by his position to control all the opera-

tions of the corporation. Each must have his own proper points to guard and acts to perform, and hence a general charge against *all* gives no one notice of what he is called upon to defend against or opportunity to deny or explain by answer.

Again, the acts and omissions charged are equally vague, and the effect of such equally undefined, so that if any one of the trustees be admitted guilty of any one of the acts of omission or commission charged, or rather assumed, except only the payment to depositors after suspension, no decree could be entered.

The breaches of duty charged consisted:

1. The failing to make examinations of the condition of said Company, as required by the by-laws thereof. There is no allegation that any examination was required.

If any, what kind of examination, or who were to make it? Certainly not each trustee fully for himself. Who then? On whom did the duty devolve? The bill does not inform us, or who neglected. Nor does it tell us how, in what manner, and to what amount, damages accrued from the neglect. Take the bill as confessed, and there can be no decree against any one on this specification. It would not lay the foundation of a reference. The duty required to be performed, the persons, who should have performed it, the particular shortcoming in the performance of that duty, the latent mischief which would have been discovered and corrected by a proper examination, and the amount

of injury, which was sustained by the neglect, ought all to have been charged with ordinary certainty of pleading, so that it could have been answered, admitted or denied, and so that a decree could have passed against the individual convicted of this omission and this only.

On any other hypothesis than that the bill was framed under the supposition that each trustee was chargeable for the acts and omissions of each and all, this specification is a common count, charging that *some one* or *more* of twenty individuals named, omitted to do *something*—what, not definitely stated—by which, and by *some other things*, omitted or committed by *some* of the same twenty persons, SOME loss or injury was sustained by the corporation.

2. Take the next item: "In making loans and advances to railroad companies and individuals of large sums, upon insufficient security, and in modes and on terms contrary to the charter, by-laws and standing rules of the Company."

How is it possible to meet and answer a charge like this? Did the trustees make loans to railroad companies and individuals on insufficient security? It is broadly hinted, though not charged, that they did. It may be inferred from what is stated in the bill, that they did. What particular loans are complained of? None in particular, *loans in general*. In order to defend ourselves, we ought to be informed what were the loans, what four trustees out of the twenty made them; what was the secu-

rity said to be insufficient, and what was the loss on *each* of said loans; for perhaps the same trustee did not consent to all; but for all this we are presented with a universal blank. This matter can not go to a master. Questions may be involved in each one of the cases which the complainants may choose to introduce under the *general specification* (which being interpreted means *no specification at all*), the decision of which by the chancellor may exonerate or render liable some one or more of the defendants, each has a right to specific charges against him, and to answer and defend each specific charge. If this charge were confessed, no decree could be entered upon it.

3. The next: "In declaring and paying dividends to the stockholders of said Company, without proper examination of the condition of said Company, after the capital thereof was greatly impaired by losses, and thereby diminishing the funds for payment of creditors."

This turns again entirely upon the question of "*proper examination*," for the trustees were bound by their organic law to make dividends according to what they found on such examination to be the state of the bank.

Now, what dividends are complained of? The bill does not inform us. What was the actual condition of the corporation when each of these dividends was made? The bill does not inform us. What examination of the condition of the Company was required before dividend, and wherein did the trus-

tees fall short of their duty in the examination? To this we have no response. Who among the twenty trustees were charged with this duty on each particular occasion, and wherein did *each* so charged fail of his duty? And the bill does not point out now, after all is patent, any hidden evidence of there existing reduction or loss of capital, which an examination, such as a most capable and careful examiner could have made, would have discovered. On this charge, therefore, if found true, no decree could be had.

4. And next: "In failing to hold monthly meetings as provided in the eighth section of the by-laws." Who failed and what special damage accrued from the failure? *Somebody* failed, and *it is possible* things would have gone better, if *all* had not.

The office in New York is not objected to, but that Ludlow, the cashier, was suffered to do certain acts, which it is charged in the aggregate involved a loss of three millions of dollars. The same vague, groping uncertainty exists in this charge as in the other items, which I have considered with *one remove*—"*They suffered Ludlow to do*," at large and in general, without saying who knew, who suffered. It is not averred what *particular acts* were known and suffered by any one, or all, or by whom. Instead of charging each special loan or pledge, or borrowing or buying or selling, which involved a loss, and what loss, and by whom each was known

and suffered, the averments are in all things as vague as language can make them.

This will not do. Parties must recover, if at all, *secundum allegata et probata.* Each fact of loss involves one issue, as to parties, delinquency and loss; an issue to be made upon charge, answer, evidence and argument. In great matters, no more than small, will it do to go at large for quantity. The items which make up a million should be as distinctly set forth as those which make up a hundred dollars. This loose generalization by a good pleader shows the impossibility of the case.

A suggestion that the facts were not known will not do. This is no case for a *fishing bill.* If there be any case for such, this is not one. A bill against sixteen men, filed on suspicion, that some one or more of them, or some one or more of four others, not parties, have done or omitted some act, which has involved some damage, the complainants do not know who? what? or how much? They file their bill, or rather cast their net, at random.

5. The last averment is, that the trustees without knowing *that the corporation was insolvent*, "in total and acknowledged ignorance of the true condition of the assets and liabilities of the corporation," did, after the suspension, go on and pay debts in full to the amount of about four millions of dollars, by the assignment of notes and bonds and other assets. Some hints at fraud are thrown out, but it is not charged. The pleader avers that it was their duty, after suspension, to pay no debts

until it was certain that there were assets to pay all in full.

We think a debtor—corporation as well as individual—has a right to pay as long as he can, and settle debts by set-off or assignment of assets as long as he can, where no statute of bankruptcy intervenes, *until he knows he was insolvent*, and even then he may pay and prefer one creditor to another until he is placed in the hands of the law. If we are right, he makes no case here."

It is said these objections to the structure of the bill come too late after answer. We think otherwise. The plaintiff must by his bill make the case upon which the Court can grant him relief. He may receive all the aid the answer gives to help out his imperfect bill, but he can receive no more. He must still fall back upon the pleadings for his relief. Proofs and agreements amount to nothing without sufficient pleadings. They make the case to be established and adjudicated, and which when adjudicated concludes the parties, and beyond them and without them, sufficient in form and substance, the Court can not go. Every bill, without or by aid from the answer, must make a case within the competency of a Court of Chancery to act, and without such case no action can be had. If a bill be so framed as not to admit a decree upon the known usages of chancery, no decree can be rendered, and advantage may be taken of such infirmities, after answer as well as before.

XV.—We come finally to another point, that, though probably sufficiently elaborated, may be further considered and amplified. The complainants claim the defendant trustees to be liable to their suit, because they have been guilty of "*gross neglect and the want of ordinary care*" in the administration of the affairs of The Ohio Life Insurance and Trust Company, in the certain particulars in their bill named. Now the question arises—What care were these defendant trustees required by law to bestow upon the affairs of the Company? We all agree they were required to bestow the same care that other like trustees or bailees would have been required to bestow; and that raises the question, what care other like trustees or bailees would have been required to bestow under like circumstances, or in the performance of like duties? But that is not exactly the question in this case, as broadly presented, because the complainants by their bill do not claim them to be so broadly liable. They only claim them liable for "*gross negligence and the want of ordinary care*" in the particulars vaguely, generally and imperfectly charged in their bill.

Now, what is the liability of any trustee or bailee for "gross negligence and the want of ordinary care?" Let us understand this matter generlly. The law declares that trustees and bailees, including agents and directors or managers of corporations, shall be held liable in the discharge of their relative duties, in accordance with the laws regulating the action of men in the discharge of such duties, looking at man as he is, with all his environments. For classification and convenience, a scale of care has been adopted, measuring from the highest to

the lowest degree; from strict prudence down to *mala fides*. This scale has its subdivisions. The middle subdivision is known as ordinary care, or that care which men generally ordinarily take of their own affairs. The upper subdivision, or plus ordinary care, requires a higher degree of care, and the lower subdivision, or minus ordinary care, requires a less degree. Upon this scale, from the highest to the lowest point, there is a constant progressive falling or declension of duty, and no Court has yet quite defined the exact point where ordinary care begins, nor where it ends, no more than it can tell where day begins and night ends, or the reverse. All we can tell is, that in the discharge of human relative and social duties, we are required to use that care according to human ability that mankind generally, under like circumstances, have been accustomed to bestow in their performance. 41 New Hamp. Rep. 44, 317.

In this scale of duties, from the highest to the lowest point, we see the care increases as you ascend, and decreases as you descend. The duty imposed constantly varying to suit the contingencies of each and every case. The care required at the point of the scale where ordinary care begins or definitely operates, is just less than it is at the point where plus ordinary care ends; and from this point in the descending scale ordinary care constantly diminishes, until you reach gross neglect or *mala fides*, or minus ordinary care.

Now, then, we say—the duty or care required of one guilty of gross neglect and want of ordinary care, is just at the bottom of the scale for ordinary care, and at the top or beginning of *mala fides*. It

is the want of that ordinary care that amounts to or is at the beginning of gross neglect, or that neglect that just ceases to be ordinary care in its lowest degree.

This, then, by this bill, is the standard by which the liability of these defendant trustees is to be tested. That is, have they been guilty of gross neglect in the first degree, as marked upon this scale of human social duty, in the particulars as set out as causes of grievance in the complainants' bill?

We say, with much confidence, they have not. It is not claimed by the bill, nor is it pretended in argument to be established by proof, that these defendant trustees are chargeable with gross neglect, or the want of ordinary care, prior to the appointment of Mr. Ludlow as cashier, in February, 1855. Nor is it claimed, if we understand the pleadings or the counsel for the complainants, that they are so chargeable in the management of the Cincinnati office, prior to the suspension in August, 1857. But if they be chargeable at all, it is for the want of the exercise of the proper care over the New York office in Mr. Ludlow's time, and maladministration after the suspension.

And here we respectfully say, without going into any examination of the testimony presented by the record, that no collation or canvass of that testimony fixes upon these defendant trustees, during that period, less care than had been exercised from the establishment of the New York office, in 1838, up to the time of Mr. Ludlow's appointment, in 1855. Indeed, the care taken in the supervision of the New York office on the 5th February, 1855,

at the time of Mr. Ludlow's appointment, and since, by instructions, regulations, examinations, etc., was greater than it ever had been before. And these defendant trustees could not *a priori* or in anticipation have been expected to do more than they did to guard, protect and secure the interests of the corporation.

The care taken of the New York office, prior to Mr. Ludlow's time, seems to have been adequate for its protection. In 1851, this matter came directly before the master commissioner, and he reported to the Supreme Court of Ohio, if the rules and regulations adopted by the Board of Trustees were not adequate to protect the New York office from disaster, he could not see how it could be protected. If such be the state of care prior to Mr. Ludlow's time, other things being equal, the same or like care since his time should have guarded the Company against the casualties that have since befallen it. We are aware of no change in the administration of the affairs of the Company, or in the conditions and circumstances of its business, that required greater care than had been taken before his time, and hence it must follow that the disasters that befell the Company in Mr. Ludlow's time were not the results of the want of proper care, but flowed from other causes beyond the restraining influence of that proper care, that had been found adequate to protect the Company before his time.

It is quite easy after a mischief has befallen us, to see where it might have been avoided or mitigated, had we seen it before it happened as we see it afterward. Could these defendant trustees in

Mr. Ludlow's time have had the glasses of the complainants' counsel looking at these transactions since their development, they would doubtless have acted very differently, as the whole history of the management of this corporation from its beginning to its final overthrow abundantly demonstrates.

It will be seen from the correspondence presented by the record, that it ever was the purpose of the Home office at Cincinnati to keep the business of the New York office, as much as possible under its control; while it is quite apparent now Mr. Ludlow's purpose was to withdraw it from the Home office, and make it but a subordinate or adjunct to the New York office under his charge. Hence, the constant effort on his part to discourage and suppress the discount of bills at the Home office upon the New York office deposits, and in his testimony to present these discounts of the Home office as the damaging feature in the administration of the affairs of the Company, while it is clear, beyond doubt, the Company received its deathblows from other quarters even yet undiscovered.

In relation to the charge of maladministration after the suspension in August, 1857, we see no necessity to add to what has already been said in the briefs before the court and herewith presented. No one can doubt, we think, the earnest and manifest desire upon the part of the managing trustees to exert their powers honestly and properly. It may be that they erred, and would have acted very differently from the first, could they have seen the end; but as it was, they acted for the best, according to all the lights they had, and that is all any law human or divine required of them.

CIRCUIT COURT UNITED STATES.

SOUTHERN DISTRICT OF OHIO.

BELL & GRANT

v.

THE OHIO LIFE INSURANCE AND TRUST COMPANY, AND THE DIRECTORS THEREOF, AMONG WHOM IS NATHANIEL WRIGHT.

MR. CURWEN'S BRIEF FOR N. WRIGHT.

CIRCUIT COURT UNITED STATES.

SOUTHERN DISTRICT OF OHIO.

BELL & GRANT

v.

THE OHIO LIFE INSURANCE AND TRUST COMPANY, AND THE DIRECTORS THEREOF, AMONG WHOM IS NATHANIEL WRIGHT.

NO. 1107.

SET FOR HEARING FOR MAY 21, 1863.

POINTS MADE FOR NATHANIEL WRIGHT.

On the 16th of October, 1858, the complainants filed their bill in this Court, in these words:

To the Judges of the Circuit Court of the United States for the Southern District of Ohio:

James C. C. Bell, Robert Grant and James Martin Bell, all aliens, subjects and citizens of the Kingdom of Great Britain, resident in the city of London, and partners under firm of Bell & Grant, bring this bill against the Ohio Life Insurance and Trust Company, of Ohio, having its principal office in Cincinnati, in said Southern District, Charles Stetson, Abraham M. Taylor, John C. Wright, Samuel J. Broad-

well, George Crawford, Nathaniel Wright, Samuel B. Keys, George T. Stedman, Charles C. Enyart, Samuel C. Parkhurst, Samuel Fosdick, George Lucky, Clement Dietrich and Samuel Forrer, all citizens of Ohio and resident in said Southern District, and Robert Bayard and George S. Coe, citizens and residents of New York, and J. B. Hosmer and Samuel E. Foote, residents of Connecticut.

And the said plaintiffs do aver and charge:

1. That at the February Term, A. D. 1858, of said Circuit Court, the plaintiffs recovered a judgment against the Ohio Life Insurance and Trust Company for $259,293 50 damages, together with costs, which remains in full force and unsatisfied, except as to about $22,493 42. That the plaintiffs have caused execution to issue on said judgment to the Marshal of said Southern District, which has been returned that he could find no goods, chattels or bonds whereon to levy. That the plaintiffs can find no property subject to execution at law whereof to levy their judgment, and are therefore obliged to resort to the Chancery jurisdiction of the Court.

2. That on or about the 24th August, 1857, the said Ohio Life Insurance and Trust Company suspended payment, and afterward made and delivered an assignment of all their property, real and personal, including choses in action wherever situate, belonging to said Company, to the said defendants, Charles Stetson, John C. Wright, S. J. Broadwell, George Crawford, A. M. Taylor and Clement Dietrich, who accepted the same and entered upon the duties of Assignees.

3. That the Company was insolvent and had not sufficient property or assets to pay its liabilities to its creditors; on the contrary, besides the loss of the total capital stock, amounting to about $2,000,000, there was a loss of the assets to such an extent as to leave a deficit of about $1,250,000 short of the indebtedness of said Company.

4. That said great loss was caused by the gross negligence and want of ordinary care on the part of said defendants

(Trustees), who were at the time of said suspension and for a long time prior thereto, the Trustees of said Company, and consisted, among other delinquencies and breaches of duty on the part of said Trustees in the following particulars—that is to say:

In failing to make examinations of the condition of said Company as required by the by-laws and rules thereof.

In making loans and advances to railroad companies and individuals of large sums upon insufficient security and in modes and upon terms contrary to the charter, by-laws and standing rules of the Company.

In declaring and paying dividends to the Stockholders of said Company, without proper examination of the condition of said Company, after the capital thereof was greatly impaired by losses—and thereby diminishing the fund for payment of creditors.

In failing to hold the monthly meetings as provided in the 8th section of the by-laws.

In allowing Edwin C. Ludlow, the Cashier of said Company at its office in New York, to borrow money for the use of said Company, unlimited as to the amount, and at such rates of interest, time and other conditions, as said Ludlow might determine, to pledge the notes, bills and stocks and other choses of said Company, as collateral security for such loans; to deal in stocks, and buy and sell the same on account of said Company; to purchase and sell the stock of said Company for its account, to make discounts and loans of the money of said Company in unlimited amount; and to transact the business of receiving deposits, purchasing and selling bills of exchange, loaning and borrowing money, and transacting all other banking business which said Company was authorized to transact, for and on account of said Company, without the intervention or supervision of said Trustees: by means of which transactions, on the part of said Ludlow, immense losses were sustained by said Company, the amount of which the plaintiffs are unable to state accurately, but

they have been informed that said Assignees admit, or state, such loss at upwards of $3,000,000.

That the said Trustees failed and neglected to exercise a due control and supervision of said Ludlow, and to make regular and proper examination of the accounts and transactions of said Ludlow, and in consequence of said neglect, the said Ludlow was allowed to proceed in the disastrous course he was engaged in, until the date of said suspension, whereas if the Trustees had properly discharged their duties in that regard, this loss, through the transactions of said Cashier, would not have happened, or would have been arrested at an early date, and before it had reached any considerable amount—all of which acts and omissions were contrary to the duty of said Trustees, and to the provisions of the charter, by-laws and standing rules of said Company, a copy of which charter, by-laws and rules is herewith exhibited and made a part of this bill.

That the first suspension occurred on the 24th of August, 1857, at the office of said Company in New York, upon the failure of said Ludlow, its Cashier, to meet the liabilities of said Company then presented—and upon notice by telegraphic dispatch of said suspension the said Trustees on the same day suspended payment at the office in Cincinnati.

That the said Trustees thereupon, contrary to their duties and trusts, proceeded to pay certain of the creditors of said Company in full by the assignment of notes, bonds and other assets of said Company, and in this way disposed of about $4,000,000 of said assets, and continued to make such partial distribution of the assets until the date of said assignment.

That it was the duty of said Trustees, upon said suspension, to hold all said assets for equal distribution among the creditors, at least until it clearly appeared that the assets were ample to pay all the creditors in full, instead of which they made said partial distribution, in total and acknowledged ignorance of the true condition of the assets and liabilities

of said Company, and to the great prejudice and loss of the plaintiffs and other creditors of said Company, whose claims were left unpaid.

That during the time intervening between said suspension and said assignment, it was the general and notorious report and belief that the assets of said Company would not pay its liabilities, and the consequence was that the market value of claims against the Company fell greatly below their par amount—ranging from 80 to 45 per cent.—and during the same time the said Trustees, or most of them, availed themselves of the depreciation of said claims, and bought them at various rates of discount, and then, under the sanction of the Board of Trustees, applied them to the payment of the individual debts and liabilities of said Trustees to said Company, at the par amount of such purchased claims.

That this system of favoritism, as well to said individual Trustees as other favored creditors, was kept up as long as said Trustees could avoid assignment—so much so that although the resolution of the Board of Trustees to make an assignment was passed on the 15th of September, 1857, the assignment was not in fact made until the 26th of the same month—and was so deferred to allow said Trustees and their friends to pay off their debts and receive their claims.

† That when said assignment could no longer be deferred, the said Board of Trustees selected and constituted a part of their own body as Assignees, and in effect made the assignment to themselves—in order thereby to keep to themselves a virtual control over said assets, and to prevent any inspection of the books, accounts and proceedings of said Trustees, by any person or persons outside of said Board of Trustees and the officers and *employes* of said Company.

That the said six Trustees, so made by their own concurrent action the Assignees of said Company, accepted said office, and have continually since acted therein, and yet remain members of said Board of Trustees, as plaintiffs are informed and charge.

That the said Assignees, though frequently applied to for that purpose, have refused to allow any examination to be made of the accounts, assets and condition of said Trust Fund, on behalf of creditors, and espe-

cially upon a written application made for that purpose, by the plaintiffs, refused to allow of any examination.

That said Assignees have rendered no account to said Company, its stockholders, or creditors, of the condition of the assets which came to their hands, and of the manner in which they have been disposed of by them, or any particulars or detailed statement of said assets or liabilities.

That said Assignees, under the pretended power of compromise contained in said assignment, have in effect allowed preferences to some of the creditors of said Company—and have greatly wasted and misapplied the said assets in the employment of counsel and agents more numerous than necessary, at high rates of compensation, and in running into great extravagances and unusual expenses in the management of said trust.

That said Assignees have wrongfully given to said Ludlow, Cashier, a release from all liability to said Company, being moved thereto by the fear that said Ludlow would otherwise expose the knowledge and complicity of said Trustees, or some of them, in the said transactions of Ludlow, hereinbefore referred to, and they, the said Assignees, in order to conceal the fact of such a release, have personally or by the agency of others, requested the said Ludlow to keep silent on the subject of said release. †

All of which actings and doings are contrary to equity and tend to the great injury of the plaintiffs, who are without adequate remedy, except on the Chancery side of this Honorable Court.

And the plaintiffs further say, that they bring this bill, not solely on their own account, but for and on behalf equally of the other creditors of said Company, who will come in and contribute to the costs of the suit; and they say they can not bring the same in the corporate name of said Company, because none but said Trustees or Assignees are authorized so to use it.

† The plaintiffs pray that a Receiver or Receivers be appointed by this Court, to take charge of the assets, books and all the property of said assignees or elsewhere—that subpenas issue against all the said defendants resident within this District or the Northern District of Ohio; and that the said other defendants, residing out of the State of Ohio, be served with process whenever they may come within the jurisdiction of

the Court, and that all the defendants served with process do answer this bill. †

That the said Trustees be decreed to account for their management of the affairs of said Company, and to pay to and indemnify the plaintiffs and the other creditors of said Company, for all losses they have sustained by reason of the said default of said Trustees.

† That said Assignees be also decreed to account for the management of said Trust, and for the losses sustained by their default. †

That the said assets be marshaled and distributed by this Court among the creditors of this Company, with as little delay as may be necessary, according to equitable principles.

That a preliminary or provisional injunction issue—to prevent the said defendants, or any of them, from further action or interference with the assets of said Company, and to deliver to the Receiver or Receivers that may be appointed by this Court, all the assets, books, accounts, papers and all other property belonging to said Company.

And that the plaintiffs have such further and other relief as their case may require and to equity may belong.

On the 19th of April, 1859, the complainants filed an amended and supplemental bill, in these words:

And now come the said plaintiffs, and, by way of amendment and supplement to their said original bill, do say:

1. That they do hereby strike out the names of said Robert Bayard, George S. Coe, J. B. Hosmer and Samuel E. Foote, as parties defendant.

2. In place of the allegation commencing at the mark †, on the 11th page of said original bill, and ending at a similar mark on the 13th page, the plaintiffs do make the following allegations:

That said six Assignees, with the possession of said assets,

took upon themselves the duties of said assignment, and continued to act as such Assignees until about the close of January last, when the further administration of said assets and of the trusts under said assignment, was, by the decree of the Superior Court of Cincinnati, transferred to Charles Remelin and James P. Kilbreth, who took on themselves the duties incident to said assignment, and received from said Assignees the possession of said assets.

Your orators state that no dividend has as yet been declared by said six original Assignees, or by said Remelin and Kilbreth, out of said assets, as the proceeds thereof, and your orators are informed and so allege, that after paying costs, expenses and charges, the dividend payable to the creditors of said Trust Company will be very small, and will not probably exceed one fourth of the amount of the debts.

Your orators further state and claim that the said Trustees ought to be held liable to respond personally to your orators and the other creditors for the large loss so sustained by their negligence and mismanagement, and ought to be decreed to make good and indemnify your orators and said other creditors from the damage and injury arising to them therefrom.

3. In place of the matter on the 14th page of said original Bill, commencing at the mark †, and ending at a similar mark on same page, the plaintiffs do make the following amendment:

Your orators pray for process of subpena against the said defendants, Charles Stetson, Abraham M. Taylor, John C. Wright, Samuel J. Broadwell, George Crawford, Nathaniel Wright, Samuel B. Keys, George T. Stedman, Charles C. Enyart, Samuel C. Parkhurst, Samuel Fosdick, George Lucky, Clement Dietrich and Samuel Forrer, all of whom are citizens of Ohio and residents of this District.

4. And the plaintiffs do omit and strike out the prayer contained on the 14th and 15th pages of said original bill against said Assignees for an account.

5. And the plaintiffs do omit and strike out from said original Bill, all the matter commencing at the mark †, on the 15th page of said original Bill, and ending at a similar mark on the same page.

And the plaintiffs pray that this amendatory and supplemental matter be annexed to and made part of their said original Bill.

On the 27th of February, 1860, the defendant, Nathaniel Wright, filed the following answer:

This defendant, saving all exceptions to the many untruths and uncertainties in the said Bill of complaint contained, for answer thereto, or to so much thereof as he is advised is material for him to make answer unto, answers and says, that he has no knowledge in relation to the alleged judgment of the complainants, and the proceedings thereon, but refers to the record for the verity thereof. This defendant is informed, and believes, that the said Ohio Life Insurance and Trust Company suspended payment on or about the 24th of August, 1857, being compelled so to do by the embarrassments and losses occasioned by the misconduct and frauds of their Cashier in the city of New York: but this defendant has no personal knowledge of those matters, being absent at the time in the State of New Hampshire, with his family, on a journey for health, from which he did not return until early in September.

This defendant is informed, and believes, that an assignment was made, as alleged in the Bill, the object of which was a more economical and equitable distribution of the assets: but he has not personal knowledge of that fact, as he resigned his place as Trustee on the 12th of September, 1857, as hereinafter mentioned.

And this defendant, by way of explaining why he is unable to answer in detail, and of personal knowledge, many of the matters and allegations in the Bill, further says, that he had but little acquaintance in detail with the affairs of the

Company; defendant was elected by the Board, in 1853, to fill a vacancy expiring September 30th, 1858, and accepted the office with hesitation. Several years previous, as was well known among his acquaintances, a deafness had come upon him, rendering him unable to understand conversation, in ordinary tone, among several persons around him, and which would disenable him from hearing the discussions at the ordinary meetings of the Board of Trustees; defendant had also some years previous, before retiring from the Bar, indications of some affection of the brain, which led him to avoid perplexing and confining application. Some of the Trustees, notwithstanding these objections, urged defendant's acceptance, suggesting that matters frequently arose, in which his counsel would be useful, thus being of important service to the Company, without being familiar with the details of its affairs. It was this view of the matter which induced defendant to accept. He knew that the Board consisted of twenty members, of whom six were a quorum for ordinary business; that many of the Trustees resided at a distance, took no part in the ordinary affairs of the Company, and knew nothing about them; the charter itself contemplating such non-residence; that there were in the Board more than a quorum who had long given their constant attention to the affairs of the Company, and thus become familiar with all the details, most of whom had been repeatedly re-elected, some even from the first organization of the Company, thus indicating that their management and their general policy was approved by the stockholders. They were men of the highest reputation for integrity and for talents and experience as bankers and merchants; and had so managed this Institution as to secure to it the highest reputation throughout the country. Under these circumstances, defendant considered it not improper for him to accept the appointment, without expecting, or feeling able, to give much attention to the details of business, in which at best he was without experience, considering his advice on legal questions and other like matters, the most useful service he could render.

In this way defendant came into office, not conscious of any neglect of duty in the course he pursued. He attended the meetings of the Board occasionally, at some periods frequently. He scarcely ever heard the conversations around the Board, finding more difficulty in this respect than he had anticipated; and seldom knew what was done there (saving notes discounted which passed under his eye) unless a vote was formally put in such way as to call his attention to it, or in some other way his attention was especially arrested; ordinary statements, explanations, etc., he did not hear. He is no accountant, and was always unfortunately dull in understanding accounts; and therefore seldom, if ever, undertook to investigate them, unless in some special case, with the assistance of an accountant. He examined occasionally from time to time the books and proceedings of the Company; and always examined with care any matters on which his opinion was desired, or of which it seemed to him an examination would be useful to the Company. The active Trustees were especially devoted, earnest and faithful in the discharge of their duties, as appeared to defendant, indicating great anxiety for prudent and judicious management of affairs, far more experienced and skillful in such matters than defendant; and feeling entire confidence in their good management, and never having met with anything in any of the officers or employees of the Company, to excite the least distrust, defendant remained thus in the Board, with but slight knowledge of affairs, without being conscious of any neglect of duty, and is thus unable to answer in detail and of personal knowledge all the matters referred to in the Bill.

Defendant, on his return from New Hampshire, first attended a meeting of the Board on the 4th of September, and several meetings from that time till the morning of the 12th of September, when he resigned his office, sending in his resignation, with the reasons for it, which was laid before the Board that day, and accepted or acquiesced in by them. This resignation, which may seem like deserting a post of diffi-

culty, was the result of defendant's convictions of duty to the Company, as well as to himself. In ordinary cases, where six was a quorum of the Board, he might properly sit by as an ignorant spectator; but now it was quite different. Important questions were constantly arising, requiring a majority of the whole Board; all was anxiety and no time for delay. Defendant made an effort for a few days to act intelligently; but it was in vain. In the agitation and hurry of so many pressing matters, the Board meeting twice a day, and constantly occupied, each member had as much as he could do to inform himself, without supplying defendant's want of hearing; and if he acted at all, must act in the dark, which would be wrong. He might, in the most important matter, be the single one to constitute a quorum, or occasion the decision of a question. He found that others did not appreciate his inability, and silence, from mere ignorance, might be construed as approval, or even counted as a vote; and to sit thus in the Board, would be grossly unjust both to the Company and himself. He also found that the intense anxiety attending such a calamity to this old and cherished Institution, and the perplexity of attempting to examine its affairs, was reviving symptoms of his old complaint. In resigning, he tendered his services to the Board in any matters in which he could be useful, and has rendered them whenever requested.

This defendant does not know or admit that the Trust Company was insolvent at the time of its failure, so as to be unable to pay its creditors. He is informed, and believes, that large amounts of its assets were secretly pledged by its Cashier in New York; that other large amounts have been seized or bound by attachment, in different parts of the country, all subject to sacrifice by forced sales, and with heavy expenses; so that the actual result can only be ascertained by closing up the concern. But from the best information defendant was able to obtain, his belief was, and still is, that if the assets were managed with economy and skill, without

sacrifice or concealment, the debts could be paid, if not something left for the stockholders.

And this defendant denies that the losses of said Company were occasioned by any negligence or want of care on the part of the Trustees, so far as he knows or believes; and, on the contrary, the Trustees in Cincinnati, and all with whom he was conversant, including himself, were attentive and faithful in the respective duties devolving upon them, so far as he had the means of knowing, and in all things as he verily believes.

And this defendant denies, so far as he knows or believes, that said Trustees failed to make the examinations required by the by-laws and rules of the Company; or that they made loans or advances to Railroad companies or individuals on insufficient securities, or on terms contrary to the charter, by-laws or rules of the Company; or that they made dividends to stockholders, without proper examination, or after the capital was greatly impaired by losses, or that they failed to hold monthly meetings, according to the eighth (8th) section of the by-laws; but on the contrary, although this defendant was personally acquainted with very few of the loans and investments of the Company, yet he believes from conversation with others, from accounts and statements laid before the Board from time to time, and from the records and proceedings, as well as from what was personally known to him, that in all these particulars they discharged their duties faithfully and according to law.

This defendant himself never made any general examination of the accounts and affairs of the Company, that particular duty never having been assigned to him, so far as he can recollect; nor was he a suitable person for such duty, for want of practical skill in accounts; but from statements and abstracts and verbal explanations, he had knowledge of the general results of such examinations. The accounts show considerable investments in railroad securities, most of those in Cincinnati originally made, as he believes, before he be-

came a member of the Board. But to judge of them it is necessary to keep in mind, that at that period such securities were regarded by moneyed men throughout the country with peculiar favor, for safety as well as profit, and were, in fact, the most readily convertible into cash; a very large amount of capital and financial influence, both in this country and Europe, being united to favor them. The provisions of the charter, in relation to corporate securities, had led from the first as he understood, and seemed to require investments in such securities, more than was common with other banks.

This defendant was not present when the dividend was declared, in July, 1857, being absent from the city as he believes, but understood afterward from conversation with the other Trustees, and from abstracts showing the state of the Company's affairs, that the same had been fully examined and the profits of which the dividend was declared were actually made, with a considerable surplus.

This defendant denies, so far as he knows or believes, that said Trustees allowed said Edwin C. Ludlow to borrow money for the Company to an unlimited amount, and at such rates of interest, and on such terms as he might determine, or to pledge securities therefor; or to deal in stocks, buying and selling the same on behalf of the Company; or to buy and sell the stock of the Company for its account; or to make discounts and loans to unlimited amount; or to transact the business of receiving deposits, purchasing and selling bills of exchange, loaning and borrowing money and transacting all other banking business which said Company was authorized to transact, without the intervention or supervision of said Trustees: on the contrary, this defendant always understood and believes, that said Trustees always exercised a constant supervision and control over all the doings of said Ludlow; that a committee of their number resident in New York were in daily attendance at his office, who had authority to control him in all things, and whose sanction was required to all his important transactions. It appears from the

records of the Trustees, that specific and rigid rules were adopted from the first and continued to all the successive Cashiers, directing their conduct and specifying their duty; and defendant knows of no authority for departing from such rules.

Defendant always supposed that the Trust Company was chartered, among other things, for the purpose of supplying the West with exchange on the East and other points at moderate rates, that line of business being indicated by the charter.

In carrying on this business the first plan appears to have been to make deposits with Banks in New York as a basis of exchange, but the business becoming large, the peril of so large deposits with foreign institutions, over which they had no control, into whose affairs they had no right to examine, and of whose standing their information must be very imperfect, became apparent, and therefore it appears the Trustees determined to locate their own Cashier in New York, to transact their business at that financial center, deeming this the safest course.

Defendant understood and believes that they established strict rules regulating the business there and confining it to what they supposed to be strictly legitimate, and adopted every precaution which prudent men could devise, to guard against mismanagement or loss; and that the Trustees from time to time, and at all times, from the commencement of that Agency to the failure, superintended and managed it faithfully and to the best of their skill and ability. He is informed and believes, that the mode of doing business there, the business transacted there, and the general management of the Agency, so far as known to the Trustees, or authorized by them, has continued substantially the same for some eighteen years, ever since its establishment, under all the able men who have officiated as Trustees, approved by the stockholders and the public, and especially and repeatedly judicially sanctioned by the Supreme Court of Ohio, in pro-

ceedings under the charter, where any man would have been heard to complain. Defendant therefore saw no occasion to look with distrust on the management of the Agency. In conducting so large an exchange business for so long a time, there must of course be various forms of securities taken for suspended debt or the like, so that the accounts must show different forms than those of simple exchange; but this defendant does not know or believe that said Ludlow, with the assent or knowledge of the Trustees, transacted any business on behalf of said Company which was not lawful under the charter, rules and by-laws, nor had this defendant any suspicion that he so did. This defendant further says that he understood and believes, that a large majority of the stockholders resided or were represented in the City of New York, and controlled the elections of Trustees; that many of them were men of wealth and large business experience, and took much and continued interest in the affairs of the Company, generally holding the stock for investment, and that three or more of the Trustees selected by them, constantly residing in New York City, gave constant attention to the affairs of the Company there, in connection with the Cashier. This circumstance gave to defendant—and, he doubts not, to all the Trustees—a feeling of confidence and security in relation to the affairs in New York; and the idea of danger from misconduct of the Cashier, never entered the mind of defendant till he heard of the failure. He understood, and believes, that the usual examination of the accounts of the Cashier were made both by the Trustees in New York and by the President and Committees from Cincinnati; but does not suppose they could have been made with any suspicions of the integrity of the Cashier; but he denies that there was any negligence or want of care in relation thereto, so far as he knows or believes.

This defendant had no personal acquaintance with said Ludlow, and was not present at his election as Cashier; but he understood and believes that he was generally and strongly

recommended to the office by the Trustees and stockholders in New York; that he had been for some sixteen years employed in the office of the Cashier there, commencing as a clerk, while quite young, and trained up in the office, and therefore entirely familiar with its affairs; and that he was reputed a man of great business talents and of undoubted integrity; and until after the failure of the Institution, this defendant never knew or heard anything to excite the least suspicion against him; although, since the failure, individuals have spoken of him and his doings in a way which would have excited suspicion, if it had been previously stated to the Trustees. But such things could have hardly been openly stated in New York without becoming known to some who were interested in the Trust Company and its safety; and defendant believes that none of the Trustees in Cincinnati knew of anything to excite suspicion against him; and so were not led to that kind of scrutiny of his affairs which suspicion would occasion; and this defendant does not admit or believe that any of the losses were occasioned by want of reasonable care in controlling said Ludlow, or in examining his accounts or affairs.

Defendant is informed and believes, that investigations made since the failure, show that said Ludlow's books were entirely unreliable and false, for a short time at least before the failure—so kept as to appear all right on inspection, furnishing no clue to detect the falsity; but not showing at all the true state of accounts; that in many cases he made no entry at all of funds or bills with which he was chargeable; that he made numerous and heavy charges against persons not at all indebted; that his balances of accounts were often entirely incorrect, that of the present complainants, for example, differing nearly half a million of dollars from the amount as established by them in their judgment; that these false entries were artfully made in the accounts of those residing at a distance, and such as would not seem improbable, so as not to be accessible to inquiry, and not likely to excite sus-

picion, though they could not well have continued any great length of time without detection, and that by a great variety of ingenious contrivances, he managed to conceal his frauds even from his own clerks, as well as from the Trustees, who were in daily attendance at his office.

This defendant took no part in the arrangements made after the failure for the payment of debts—not returning from the East until after they were generally made, as he understood; nor does he recollect being present at the Board when any order was made for such payments; but he understood, that payment was made to *all*, without discrimination or partiality, who would accept such means as the Company had to offer, and defendant believed it to be the duty of the Trustees so to do, and he understood they were so advised by their able legal counsel. The sufficiency of the assets to pay the debts could not, of course, be known with certainty; but he understood there was then considered no reasonable ground to doubt that sufficiency. The President was then in New York investigating the affairs of the Company, and the last report which defendant saw from him, of the probable result of the failure, was, that fifty per cent. of the capital would be sunk, not suggesting any greater loss.

This defendant denies, so far as he knows or believes, that there was any partiality or favoritism in receiving payments either from Trustees or from any other persons; and he has no knowledge of any settlements with Trustees except in his own case. He was indebted to the Company in fourteen thousand dollars, secured by his note and mortgage payable on demand with seven per cent. interest, which the Company assigned, or agreed to give the benefit of, to certain creditors, with whom his sons, in his absence, and on their own responsibility, on the 27th of August, as appeared by the writings, arranged the debt by agreeing to give to one of them defendant's notes and mortgage for between ten and eleven thousand dollars at seven per cent. interest, and to transfer certain securities to the others for the residue. This arrangement de-

fendant afterward consummated, thus settling the whole debt at par. The Company also hold defendant's note for five thousand dollars, which, by certain arrangements, third persons, in no way connected with the Company, had assumed to pay. This note was paid in part by deposits and Eastern checks of defendant, at par, which were a legal setoff thereto at the time of the failure, and in part by or on behalf of those who assumed to pay it.

Defendant was not with the Board when the general assignment was made, it being after his resignation; but it was talked over in the Board while he was there, and there seemed to be much doubt in their minds as to their duty in the matter, nor had defendant formed a decided opinion on the question; but he entirely denies, so far as he knows or believes, that there was any intent or desire in this or in any other of their doings, to favor any one or to keep control of the assets, the books or effects of the Company; and he believes the only motive of the assignment was a more economical management and equitable distribution of the assets. Defendant does not know or believe that said Trustees have refused an examination of the books, accounts or papers, to any one who had a right to such examination, or in any case where it could be properly granted.

There was much popular excitement after the failure, and some individuals made great efforts to excite prejudice against the Trustees, sometimes using garbled and imperfect statements of their accounts for that purpose; several were evidently aiming to speculate in the debts of the Company, and seeking a color of authenticity to statements which would be framed merely for that purpose; and in various ways it seemed evident that some, who demanded examination of the books, had unfair and sinister purposes in view, and, inasmuch as there could be no assurance of fairness in the extracts or statements they might make, and no control over the use that might be made of unfair ones; and as no satisfactory general statement could be made till a full investiga-

tion of Ludlow's affairs, it was deemed proper, and defendant so advised, that the books should not be indiscriminately submitted to those who had no legal right to inspect them.

Defendant had no acquaintance with the doings of the Assignees under the assignment; and he does not admit, or believe, that the making of the assignment was delayed from any motive of favoritism or concealment; but, on the contrary, while he was in the Board, so far as he understood the Trustees, they were hesitating as to the propriety of such a step, with some difference of opinion among them; the President and others in New York indicating opinions against it, and some entertaining hopes that affairs might yet be generally arranged with creditors.

And defendant denies, so far as he knows or believes, that this disastrous and painful calamity was occasioned by any fault, negligence or mismanagement of the Trustees, or any of them; who were, as he verily believes, in all things faithful and diligent, discharging their duties gratuitously and attentively. Their management and course of business, as he believes, were the same which had been practiced for 16 or 18 years, and become the settled and approved usages of the Company, with the sactions hereinbefore suggested.

Defendant does not believe that said Ludlow was originally dishonest, but that he became, in some unknown way, involved in speculations, which led him into desperate adventures, and finally to recklessness, faithlessness and ruin.

Defendant further says, that in all matters relating to said Company, he has acted in good faith and according to the best of his judgment and ability, and without compensation; that with his small experience in banking affairs and in accounts, with the impediment before referred to, he was not conscious of any neglect of service useful to the Company, in giving so little attention to its affairs; but, on the contrary, he believed, and still believes, that the services were far better performed by abler and more experienced men, to whose judgment he should feel proud to defer, even if he was dis-

posed to differ from them; that he never met with anything in the management of business, or the accounts, statements, papers or books of the Company, to excite his suspicion of fraud or misconduct; that he always gave his services to the Company to the best of his ability, whenever the occasion seemed to require, and he rested in entire confidence in the good management and prosperity of the concern, till its sudden and disastrous failure.

Defendant never had any acquaintance with the affairs in New York, other than what appeared from the statements thereof laid before the Board, in which he did not see anything suspicious. There were very large amounts of money intrusted to the Company, in trust, to pay interest and other debts due from states, cities, towns, railroads, and other corporations, which were placed in the hands of the Cashier in New York, where they were generally payable; and this, with a large exchange business, involved the handling of a very large amount of capital, which in process of time, and the casualties of business, would occasion various arrangements for securing doubtful debts, or guarding against losses, thus occasioning a variety of forms of securities and of accounts.

And this defendant (craving the indulgency of the Court, if in anything he has been unnecessarily prolix or personal, in a matter so deeply involving reputation as well as property,) denies all fraud and combination, wherewith in and by the said bill he stands charged, and reserving the right to make further answer, if occasion there should be so to do, humbly prays to be hence dismissed, with his lawful costs, in his behalf most wrongfully sustained.

STATE OF OHIO, }
Hamilton Co. } ss.

Nathaniel Wright, the defendent above named, being duly sworn, maketh oath that the facts stated in the foregoing answer, so far as stated of his own knowledge, are true, and so far as stated from information, he believes them to be true.

N. WRIGHT.

Sworn to before me, and subscribed in my presence, this 14th day of December, A. D. 1859.

EDWARD T. NOYES,
Notary Public for Hamilton Co., Ohio.

I appear in this case for the defendant, Nathaniel Wright. I do not represent any of the other defendants. In the view I take of the complainant's bill, it intends to charge a fraudulent breach of trust; which is a question of the personal guilt or innocence of each defendant separately: the case of each defendant standing on his own individual merit or demerit; and though Nathaniel Wright has never entertained any distrust of any of the defendants, whom he swears, in his answer, "he believes were attentive and faithful," he conceives that a clearer view of the whole cause can be presented to the Court by considering the bill as aimed against each individual defendant—as aimed solely against himself.

Nathaniel Wright was elected, on the 18th of January, 1853, a director, by the directors of the O. L. I. and Trust Company, to fill a vacancy. Before accepting the office, he explained to the electors his distrust of his ability to discharge its duties satisfactorily, from his want of experience in the complicated transactions of banking business, and the physical infirmity under which he then and has ever since labored of acquiring the requisite knowledge, from inability to hear the ordinary tone of conversation in which the business of the Bank, and the discussions of the Board of Directors would necessarily be carried on. The corporation, notwithstanding these objections, desired the aid of his services in the Board. In accordance with the views thus expressed at the time of his acceptance of the office of Director, Nathaniel Wright was never appointed, by the corporation, on any of its Standing Committees. 2d Bishop, 56, p. 90.*

At the time of his election, the O. L. I. and Trust Com-

* All my citations of evidence are from Mr. Worthington's printed Abstract and Argument.

pany had been organized eighteen years. Charles Stetson had been President more than ten years. S. P. Bishop had been the Assistant Cashier for ten years. One of the book-keepers had been in the employment of the Company eleven years, and the Discount Clerk six years. Edwin Ludlow was appointed Assistant Cashier in New York, December 20, 1852—a month previous to Nathaniel Wright's election as Director. Ludlow, very highly recommended by the Stockholders in New York, where more than three fourths of the stock was held (Exhibits 122, 123, 2d Bishop, 33, p. 86; ans. 80, p. 93; ans. 10, p. 63), was elected Cashier, Feb. 14, 1855, Nathaniel Wright not being present at the meeting.

Of the Directors who were in the Board in January, 1853, were Samuel Fosdick, one of the original corporators, elected in 1836, and continued in office till 1857; George Luckey, elected in 1834; A. M. Taylor and John C. Wright, elected in 1842; and Samuel Forrer, who had been a Directer from 1834. The capital was $2,000,000, divided into 20,000 shares, about 1,800 of which were held in Ohio, or the West, and over 18,000 shares stood upon the stock books in New York, and were held by persons resident in that city or the East. 2d Bishop. 9, 10, p. 63; ans. 80, p. 93. Many of these Stockholders held large amounts of stock, and were persons well known in the financial circles of New York. Of the twenty Directors, three were engaged in active commercial business in New York city. George S. Coe, originally made a defendant, had been the Cashier of the Company, and was then connected with, and is now the President of, the American Exchange Bank. Of the Directors named, John C. Wright attended frequently, daily when well and in town (2d Bishop, 132, p. 99); Fosdick and Taylor attended frequently; and Stetson, who was there daily, with Fosdick and Luckey, were the Committe of Finance from 1850 to 1857: ans. 70, p. 92.

At the home office, the annual deposits averaged about

$75,000,000. The Agency at New York, established more than sixteen years before, was receiving deposits to the amount of $1,000,000 to $1,500,000; was paying the Company's drafts to the amount of $10,000,000 or $12,000,000 a year; and employed, beside the Cashier, some eight or ten clerks and tellers. The Company had Agencies in every judicial district in Ohio. Its discounts were $10,000,000 a year; and its drafts on New York annually exceeded that amount. It employed in the home office, twenty to twenty-five salaried officers and clerks, including ten bookkeepers and two Cashiers. The Legislature had thought its affairs sufficiently intricate and important to require the Supreme Court to appoint a competent official examiner of its condition annually; and after its failure, they made a Legislative inquiry into the causes of the "disaster." 4 Curwen, 3121.

This extended business was contemplated in the charter, and a large Board of Directors, twenty in number, was provided, to afford ample room for the corporation to avail itself of those various talents and influences which a corporation depending for its success on the public confidence, requires. Although a Board of Directors is "one body," it has "many members," and "all the members have not the same office." Each is selected because he possesses some special talent or acquirement—one for financial skill; another for quickness at accounts; another for practical acquaintance with law; another for the influence of his wide acquaintance, for his sagacity, and so forth. One of the chief objects of associated enterprises is to secure this diversity and completeness of talent and influence. It is the effort of human wisdom to make up for the conscious defects of individual men. It is no more to be expected that all these talents shall be exercised at the same time, and upon the same subject, than that all the gifts of the physical body shall be exerted on every occasion which calls one of them into service.

Nathaniel Wright did not habitually attend the daily meetings of the Board. The evidence shows on what occa-

sions he did attend. For the rest, he answers that "the active Trustees were especially devoted and faithful, as it seemed to him, and feeling confidence in them, he remained in the Board with slight knowledge of affairs, without being conscious of any neglect." "They were men of high reputation for integrity, talent and experience in banking, and had so managed the institution as to give it a high character." They had been selected by the Stockholders themselves, from among those who owned at least $5,000 of the Company's stock, to direct its affairs. By the very act of selection, the corporation whom the complainants now assume to represent, directed Nathaniel Wright to confide in their honesty, attention and fidelity—in the same manner as the creator of a private trust, directs the co-trustees to confide in those whom, by his selection, he has made their associates; and, in his answer, he swears he did confide in them. The issue is, if no personal misconduct is brought home to this defendant, whether this allegation of his answer is true or false. For, if true, nothing can be plainer than the rule of equity that it is no breach of trust in a trustee to assume the fidelity and competency of his fellows, until satisfactory evidence of the contrary is shown by his accusers to have come to his knowledge; and he has a perfect right, and it is his legal duty, to act on that assumption. If they are appointed on committees, in the discharge of their duties, he may safely confide in their reports as truthful and accurate representations of the facts affecting his duty in relation to the trust fund. If they, being more intimately acquainted with the details, discover in the reports of subordinate officers no grounds to suspect unfaithfulness, he is under no duty to investigate anew for himself the conduct of such unsuspected officers, nor the accuracy of their official acts. The conduct of Williams in the case of the Hughes Fund, 18 Ohio, 509, the conduct of Levering in the case of Paul Jones, 8 Watts & Ser. 151, and the conduct of Depeyster toward the Secretary, in Scott v. Depeyster, 1 Edward Chan. R. 513, illustrate the rule.

In the Hughes Fund case, the trustees trusted Williams, the defaulting trustee, because Hughes himself had trusted him. In Jones' case, Jones and Levering were guardians. Levering received all the money. After some years, Jones suspected that Levering was becoming embarrassed, and he made inquiry of him "into the disposition made of the money, and was told by his colleague, whose truth had never been doubted, that the whole was invested in bonds secured by mortgage on a landed estate, which was pointed out. To have required him, said C. J. Gibson, to have dealt with his colleague as a rogue, by calling for the securities, would require of him the highest and most exact diligence—a degree of it that would ruin every guardian."

In Depeyster's case, the secretary of an insurance company had through a series of years embezzled enormous sums of money, and concealed it by producing forged bank pass-books, and false entries; and though after the discovery it seemed almost incredible that business men could be kept ignorant of their affairs under such heavy losses, the Court thought that the reports of the examining committees were justly treated as reliable.

So, as relevant to the question of the bona fides of this defendant in the discharge of his duties, there was nothing in the character of the directors of this institution to justify any man in harboring injurious suspicions of their honesty or capacity. They were held, and are to-day deservedly held, in high estimation. To be elected one of their number, was of itself a commercial distinction. For the institution which they had managed for so many years—from thirteen to twenty years—had been eminently successful. Notwithstanding the heavy losses in which Mr. Vermilyea's unauthorized acts had involved the Company, and for which he was substantially, though not formally, removed from the Cashiership. 2 Bishop, 102, p. 96, no bank stood higher, on the day it failed, than the Ohio Life Insurance and Trust Company. Drafts were purchased of it, by the direction of

this defendant, for his own use, on the very day of the failure. 2d B. ans. 61, p. 91. So firmly rooted was the public confidence in the character of its directory, and the ability and fidelity of its management, that even after its failure, with all its effects in New York tied up by attachments, and its Home Office besieged by anxious creditors, the evidences of its indebtedness, in spite of the financial panic, "for two or three weeks, sold at par, in large amounts." W. S. Goodman, ans. 3, p. 41. The State of Ohio had made it its financial agent in New York, as "a suitable place where transfers of the stock of the State might be made, and the principal and interest of the foreign public debt be paid." 3 Curwen, 1806. States, cities, railroads and banks made the interest on their bonds payable at its office in New York, and its sight drafts were current everywhere in the United States; and so far from its credit being shaken, or the public confidence in its integrity being impaired, the American Exchange Bank had lent it $750,000, Ludlow, 78, p. 54. and more than $1,200,000 of negotiable securities sent to the New York Agency for collection by the correspondents of the Bank, were so indorsed, that Ludlow was enabled to pledge them. 2d Bishop, 37, p. 87. If any suspension had been entertained, either their notes would not have gone there, or would have been restrictively indorsed.

The success of a bank, like the success of an individual trader, inspires confidence in its management and its managers; for it evidences those business qualities, skill, integrity and forecast, which are rather scarce than common among men.

When Nathaniel Wright was told by the Corporation that they regarded their managers, and desired him to regard them as trustworthy, they might well have added, our success is the best evidence of the correctness of our judgment of them. By their fruits ye shall know them. That this success was a real one, and not factitious or temporary, this defendant might justly have argued, even if he had been disposed to distrust the financial skill and undoubted integ-

rity of the managers whom he found at the Directors' Board, when he came there, from the facts stated in the answer; "that the mode of business had been the same for some eighteen years, under all the able men who have officiated as Trustees, with the approval of the stockholders, and sanction of the Supreme Court." For re-election is an approval of, a reiterated assurance of confidence in, the acts of the Directors. The provision of the charter constituting the Supreme Court a visitor of the Company, opened the door for all Stockholders, all creditors, for everybody, to come into Court, and raise objections to any of the doings of the Company, without expense or trouble; and the charter being a public law, it was known to all, certainly to all interested in any way in the affairs of the Bank; and they had as full an opportunity of being heard in relation to it, as if they had been served with process in a suit pending. This provision must cut off all grounds of complaint against the Trustees, so far as it relates to their general management and course of business. So far as relates to matters mentioned in the reports of the Company or the Master, there is an express approval by the Court, if they make no objection. So far as relates to matters not mentioned in those reports, all other parties are precluded from complaining now, because they had the opportunity of making their complaint in Court, in time to prevent the doings of which they would now complain, and thereby preventing all injury both to such complainants and to the Trustees.

The testimony shows that this provision of the charter was complied with, and the examiners appointed by the Supreme Court were such men as Chief Justice Wood, Chief Justice Burchard, Judge Hayward and T. L. Jewett.

This approval of the Supreme Court, in relation to the most judicious course of managing the Company's affairs, and which ought to put an end to all cavil as to its legality, is important in two aspects; it justified this defendant in assuming the correctness of the prevailing management;

and it precluded Bell and Grant, who had been both debtors and creditors of the Company a year before the transaction on which this bill is founded arose, from making any complaint as to the management and degree of supervision exercised by the Directors over the New York Agency.

The grounds of Nathaniel Wright's confidence in the Directors were therefore to be found in the character of the men themselves, in the approval of their acts by the Stockholders evidenced by their re-elections, in the successful management by them of the Company's affairs, and in the sanction of their modes of business by the Supreme Court, and in the absence of all complaints by those who were called on to complain, if any ground of complaint existed.

To impute to this defendant supine negligence or willful default in the discharge of his trust duty, or a perfunctory performance of it, in relying with respect to questions of details, upon the able men who had been for years familiar with those details before he came among them, it would not be enough for the complainants, that is, the corporation, to show that the men were untrustworthy, or that the apparent success was delusive, or that the examining commissioners and the Supreme Court were in fact sanctioning fallacious theories and practices in business, but they undertake, when they impute a fraudulent breach of trust—which is a question of moral guilt—to show, and they must show, that the other Directors were untrustworthy, and that this defendant knew they were untrustworthy, that the management was vicious, and that this defendant knew that it was vicious; that the modes of business led necessarily to failure, and that this defendant, being one of twenty, had the power of reforming the abuses,and willfully refused to exercise that power. "It is by no means just in a judge," said the Lord Chancellor, in The Charitable Corporation v. Sutton, 2 Atkyn, 405, in 1742, "after bad consequences have arisen from such executions of their power [as repealing a restrictive by-law, and making orders] to say that they foresaw at

the time what must necessarily happen, and therefore are guilty of a breach of trust."

If the complainants are unable to show that the active members of the Board, who, under the ninth section of the charter, and the ninth by-law, habitually made up the business quorum, from day to day, were unworthy of this defendant's confidence, and that he knew them to be unworthy; that will dispose at once of the question whether this defendant, in trusting to their examinations and reports, and never making any general examination into details for himself, was guilty of "supine indifference" to the duties of his trust. The evidences of uprightness and assiduous attention to the Company's affairs, on the part of these gentlemen, are so conspicuous all through the testimony, that this inquiry ends the case, so far as it charges acts of *omission* against this defendant.

Though numerous acts are charged by way of omission and commission, against the whole body of the defendants, the bill does not seem to have been framed with that careful regard to the rights of the defendants which the rules of equity require. "There must," said Vice Chancellor Wigram, in Houghton v. Reynolds, 2 Hare, 266, "be such certainty in the averment of the title upon which the bill is founded, that the defendant may be distinctly informed of the nature of the case, which he is called upon to meet." "A plaintiff must state his title with sufficient particularity and detail to enable the defendant to meet the case upon some definite issue." Jaspar v. Hamilton, 3 Dana, 283; Bull v. Bull, 2 Root, 470; Elston v. Blanchard, 2 Scam., 422; Story's Eq. Pl., sec. 241, 251; Garvey v. Fowler, 4 Sandf. Sup. Ct., 667; Fulton Bank v. Beach, 1 Paige, 434; Mure v. Kaye, 4 Taunt. 34; Hill v. Montague, 2 Maule & Sel. 377.

Nor does the evidence enable me to make out what acts of *commission* are charged against *this defendant*. The only fact undeniably stated and proved against him, and distinctly admitted, probably shows the reason of his being made a de-

fendant; that, at the time of the failure of the Company, he was a Director. But whatever the charge intended to be made is, the complainants take on them the burden of proof. Against the oath of this defendant they must make out a fraudulent breach of trust by the testimony of two witnesses, or one witness and equivalent circumstances, and must show that by such breach of trust, in which this defendant personally participated, or at which he connived, the Corporation, not the complainants merely, have lost a definite and ascertained sum of money. And they begin to carry this burden under a disadvantage. They allege that "the gross neglect and want of ordinary care," on the part of this defendant, caused the losses the Company have sustained, and admitting that he held stock to the amount of $5000, which was inseparably involved in the general welfare of the Institution, they must give up any idea that disaster implies negligence on his part, and must allow that all the presumptions of care, and diligence, and fidelity, which having a pecuniary interest in a business, raise, must prima facie be applied to this defendant.

Upon what theory of legal responsibility the bill proceeds, is involved in the same obscurity which attends its statements of the facts. There are three views imaginable:

1. That the Directors are liable, in solido, under the terms of Sec. 24 of the charter, for any debts which the assets do not pay, upon mere proof that there are debts, and that the defendant was a Director.

2. That a breach of trust being shown in some corporate act, all the Directors, whether proved to have participated in or not, are liable, in like manner as partners would be liable for the debts of the partnership, contracted in the name of the partnership.

3. That each Director individually is liable to the Corporation for losses which are proved to have been sustained by the Company, in consequence of his gross negligence and want of ordinary care in the discharge of his duty to the

Corporation; and that equitable circumstances may arise which will authorize a creditor of the Company to intervene and enforce that liability, for the benefit of the Corporation.

In ignorance of what the claims of the complainants are, it is necessary to consider these theories:

I. The first is, that the liability is statutory; and the argument that may be adduced in favor of this view is, that if the language of Sec. 24 of the charter, does not impose a statutory liability upon the defendants, as Trustees, the insertion of that section was unnecessary and unmeaning.

To this argument there are two answers:

1. The argument assumes that there is no subject upon which Sec. 24 can operate, except the personal liability of the Directors. If a subject can be found in the charter, the argument derived from its absence loses all its weight. Such a subject is found in Sec. 6, which provides that "no bond or other collateral security shall be required from the said Company, when appointed Trustee, Guardian or Receiver; but all investments of money received by the said Company, in either of said characters, shall be at the sole risk of the said Corporation; and for all losses of such moneys, the capital stock, property, and effects of the said Corporation shall be absolutely liable."

Upon comparing this section with Sec. 24, it will be seen that they are so closely connected as to make in fact but one sentence. This is apparent, not only from the repetition in Sec. 24, of the same language which was used in Sec. 6, but also from the exactness with which the two sections fit each other, and the identity of their subject matter; namely, liability for losses. The words repeated are, "for all losses of money," and "the capital stock." The ideas repeated are, "risk" and "responsibility," "liability" and "responsibility."

Taking the two sections together, the meaning is, the Company may be appointed a Trustee, Guardian, or Receiver (from whom the law in ordinary cases always exacts

abondor security for the faithful application of funds intrusted to them), but if funds are received by this Company, either as Trustee, Guardian or Receiver, under judicial appointment, no bond or security shall be taken, collateral to the liability of the Corporation. The Corporation alone is liable for the fund, and the stock, property and effects of the Corporation are bound to make good the loss, though no bond was taken. And if a loss has been occasioned by a breach of trust, on the part of the managers of the Corporation, they shall be liable to make good, out of their private estates, any deficiency which may be left after all the effects of the Corporation have been exhausted.

Viewed in this light, these sections were intended to settle two questions, which might have been raised, if they had been omitted.

1. Whether the Corporation itself would have been liable for a loss occasioned by the unauthorized acts of the Board of Directors; that is, for losses arising from a breach of trust. The state of the law in 1834, when this charter was enacted, or the popular opinion of the state of the law, might in the absence of Sec. 6 have left a question, whether breaches of trust on the part of the managers, by the commission of acts not authorized by the charter, could have been imputed to the Corporation. For, prima facie, such breaches of trust are not the act of the Corporation, but the act of the individuals who happen to be its agents.

If a particular trust fund had been judiciously invested, in a particular security, by this Company, its loss, without fault on the part of the Company, would not, under Sec. 6, be a discharge of the Company, although such loss would have been a discharge, in the ordinary case of trusteeship.

In other words, the obligation to restore the fund, under Sec. 6, was "absolute," as against the Corporation, and not, as in the case of ordinary trustees, conditional upon the loss having been occasioned by the wrongful act of the trustee.

2. Whether, in case the loss of the trust fund were occa-

sioned by a breach of trust, and the amount were greater than the assets of the corporation could discharge, the Legislature intended to exonerate those managers, who should be guilty of such breach of trust, from that liability to which all persons, holding a fiduciary relation, are, by the ordinary rules of equity, subjected.

It was important, for two reasons, to settle this question: 1st. On account of the Trustees themselves; and, 2d. For the sake of the credit of this Institution, whose whole success depended on its acquiring and deserving the confidence of the community.

It might have been argued, that section 6 would have exonerated the Trustees from liability, even in the case of a breach of trust.

1st. Because such breach of trust is, in that section, made the act of the corporation; and, 2d. Because "all investments" of trust funds received by the Company are declared to be "at the *sole* risk of said corporation."

Sections 6 and 24 answer both these questions. They declare that the corporation are liable for any breach of trust on the part of the managers, to the extent of all their assets, and if these are not sufficient, those Trustees, who by a breach of trust have occasioned the loss of the fund, shall also "be responsible in the same manner and to the same extent that Trustees were then (1834) by law responsible in law or equity."

The second answer to the argument that section 24 was intended to create an individual liability on the part of the Trustees, arises from the language of that section. The words do not import any such liability, even upon the assumption that section 24 has no connection with section 6.

The rule upon the construction of statutes creating corporations, and rendering stockholders or Trustees—that is, other persons than the corporation—liable for the debts of that artificial person, is stated in Gray v. Coffin, 9 Cushing, 192.

Such a liability can not be implied from the mere difficulty

of construing a sentence which does not in terms assert it. And as an historical fact, the liability of third persons for corporate debts has always been asserted in the most distinct and unequivocal language.

Instances of such assertion are collected in Angell and Ames on Corporations, third edition, p. 546 and following.

The earliest instances in Ohio are those arising under the statutes to prohibit the circulation of unauthorized bank paper. The act of February 8, 1815, Chase, 868, declared such unauthorized bank paper void, and subjected the utterers to indictment.

The act of January 27, 1816, Chase, 904, subjected the stockholders "jointly and severally in their individual capacity" to liability for the contracts of such unauthorized bank. Sec. 11.

This act was in force when this charter was enacted. It was confined in its operation to acts done in the name of a corporation, without any corporate authority.

The judicial construction put upon the statute was, that those who thus assumed to issue bank bills, constituted themselves, by that act, partners, and the law attached to them the liability of partners. 1 Curwen's Revised Statutes, 464, note; 3 Curwen, 2295. The act of such persons was not imputed to the corporation.

The sole ground of their responsibility was, that they had done an act, which the charter of the corporation did not authorize, and which, therefore, did not bind the corporation.

The next instance in which individual liability is spoken of in the statutes, is in the act for winding up corporations not possessing banking powers, 2 Curwen, 907, which is supplementary to the act prohibiting unauthorized banking. In sec. 5, 2 Curwen, 908, those stockholders who have rendered themselves "liable in their individual capacities for the payment of the debt of the petitioning creditor in any event or contingency" are directed to be made parties "whenever it shall become necessary to enforce such liability."

The amendment to this act, 2 Curwen, 911, sec. 14, renders the Directors appointed to wind up a corporation "jointly and severally responsible" "to the extent of its property and effects that shall come into their hands."

The next instance which the statutes afford, is in sec. 66 of the Bank Law of 1845, 2 Curwen, 1113, which provides that "every Director who participated in (a violation of the charter), or assented to the same, shall be held liable, in his personal and individual capacity, for all damages which the Company, etc., shall have sustained in consequence of such violation."

On the 9th of February, 1846, the Manufacturing Corporation Law was enacted. This is the first act in Ohio in which individual liability for the debts of a corporation, begins to assume a definite shape. It allows laborers to sue a delinquent stockholder who has not paid up his subscription, and subject the debt due by him to the corporation to the payment of their demands, without first obtaining a judgment against the corporation. 2 Curwen, 1219, sec. 6. It is manifest that the liability, in this instance, is not for the debts of the corporation, but is like that of any defendant to a creditor's bill.

The Gas Light Companies' Act of January 17, 1851, 2 Curwen, 1650, enacted seventeen years after the charter of the Trust Company, is the first instance in Ohio legislation, in which individual liability is imposed upon stockholders. To the language of secs. 10 and 15, I desire particularly the attention of the Court, as they contain the formula of the subsequent legislation.

On the 10th of March, 1851, less than two months after the passage of the Gas Light Act, the Constitution of 1851, was adopted in the Convention. Art. 13, sec. 3, 1 Curwen, 79, contains the constitutional provision on this subject.

The legislation under this Constitution is:

Act of May 1, 1852. Sec. 79, 3 Curwen, 1897.

Act of March 11, 1853. 3 Curwen, 2176.

Act of April 17, 1854. 4 Curwen, 2582.

In none of these statutory instances is there any similarity to the language of the 24th section of the charter of the Trust Company.

The Constitutional History of Individual Liability, may be found in Smith's Debates, vol. 1.

Page 260, Report of the Standing Committee.

Page 293, Referred to Committee of the Whole.

Page 369, Judge Ranney's Speech.

Page 429, Judge Hitchcock's opinion.

Perhaps this review of the legislation of the State is quite unnecessary. The evidence of intention which it manifests, is altogether negative. The clearness of the language of sec. 24, one would think, would afford no justification for any search dehors the text, as to the meaning of the Legislature. Where the words of a statute are perfectly clear, they afford the only evidence of the will of the law-giver.

I shall now assume that sec. 24 does not *create* any individual liability on the part of the Trustees, and that the whole purpose of that section was to prevent a misconstruction of the words "at the sole risk of said corporation," in sec. 6.

If this view be correct, it follows that the liability of these trustees, alluded to in this section, relates to moneys received by the corporation, as "trustee, guardian, or receiver;" and in such cases depends upon those general principles of equity which regulate the conduct of all persons exercising the offices of directors in private corporations, in general. The language is

(1) "The Trustees shall be responsible,
(2) in *the same manner*,
(3) and to *the same extent*,
(4) that trustees are now,
(5) by law responsible,
(6) *in law or equity*."

This reference to the general principles of law and equity, for the *manner* and the *extent* of the responsibility of the trustees, contains but one limitation: their responsibility is

to be the responsibility of trustees as the law, upon the subject of a trustee's liability, was expounded and enforced in the courts of law and equity, upon the 12th of February, 1834. As there was no statute at that time in Ohio defining the manner and extent of such liability, the reference must of course be to the general principles of jurisprudence.

The law of Ohio upon the liability of trustees for their own acts, and for the acts of their associates, is settled by the case of the State v. Guilford, 18 Ohio, 560.

The authorities upon this subject are collected in

Townley v. Sherborne, 2 White & Tudor's Equity Cases, 623, and notes.

Hill on Trustees (2d American Ed.) *309, 433.

Story's Equity Jurisprudence, secs. 1275, 1280.

Adams' Equity (2d American Ed.) *58, 178.

Angell and Ames on Corporations (3d Ed.) 304.

Grant on Corporations, *199, 208.

Lewin on Trusts, *302.

II. The theory of the liability of a Director, irrespective of his personal conduct, does not require any separate consideration. It is involved in the subsequent discussion.

III. The claim of the complainants seems to be founded on their assumed right to vindicate the rights of the Corporation against each Director individually—all who participate in breaches of trust being principals—on the ground that at the time the bill was filed, none but the Trustees or Assignees were authorized to use the corporate name of the Company for the purpose of bringing a suit.

Whether the complainants are in a position to assert such a right or not, a consideration of the right itself is important, because it tends clearly to show that no act on the part of a Director, which is not a violation of duty to the Corporation itself, can be a breach of trust, and that therefore the requirements of the charter and the by-laws, and the practical interpretation put upon them by the long usages of the Company, constitute, under the rules which courts of

equity have made for the conduct of persons holding such fiduciary positions, the measure of a Director's responsibility. It will hardly be claimed, I presume, that the circumstance that the managers of this Institution are in the charter styled "Trustees," makes their relation to the corporation, or to its creditors, in anywise different from what it would have been had they been designated as "Directors or Managers." The nature and terms of the trust, not the title given to the person appointed to execute it, determine what are the duties required of him. If Bell and Grant rely on the words of the 24th section, as making such a distinction, I answer that those words are by sec. 6 restricted to the cases where the Company was appointed "trustee, guardian, or receiver," and that the relations of Bell and Grant to the Company being merely those of debtor and creditor, had in them none of the elements of a trust, and that therefore nothing in that section aids them. A bank is not a trustee for a depositor or creditor. Foley v. Hill, 2 House of Lords' Cases, 28 (in 1848).

The duty of the Director then being to the Corporation and not to its individual stockholders or creditors, the latter "have no right by any direct suit, legal or equitable, to call the Directors or other officers of the Corporation to account for mismanagement. The Directors and other officers and agents are amenable only to the Corporation." Abbott v. Merriam, 8 Cushing, 590 (in 1851).

In addition to the two cases cited by Mr. Worthington on page 109 of his brief, the following may be referred to:

Harman v. Tappenden, 1 East, 555, which was an action on the case against town officers who had disfranchised the plaintiff, whereby among other things he lost the right of taking oysters from the sea. He had been accused of some offense, and happening to come into court, they interrogated him irregularly and convicted him on what they took to be his confession. No malice being shown, the plaintiff was nonsuited.

Smith v. Hurd, 12 Metcalf, 371 (in 1847), cited by Mr. Worthington, was an action on the case against the officers of a Bank by a Stockholder, for their negligence in so conducting its affairs that the whole capital was wasted and lost, and the shares therein rendered worthless, and for malfeasance of the Directors in delegating the whole control of its affairs to the President and Cashier, who wasted and lost the whole capital. It was held that the plaintiff had no title to sue.

Forbes v. Whitlock, 3 Edward Chan. 446, was a bill in equity against the Directors for fraud, in which all the Stockholders but five, who refused, united, and the bill was dismissed.

Brown v. Van Dyke, 4 Halstead's Chan. 799 (in 1853), where the law was assumed to be as stated.

Bradley v. Richardson, 8 Washburn, 720.

French v. Fuller, 23 Pickering, 108, which was a suit at law by a Stockholder against the Treasurer of a Corporation, who refused to pay a dividend due the plaintiff.

Foss v. Harbottle, 2 Hare, 495, Victoria Park Case, London.

Bank of Rome v. Mott, 17 Wendell, 554, was an action against a sheriff for having impaired the means of the plaintiff's debtor, and is similar in principle to 11 Pickering, 527, which Mr. Worthington has cited, p. 109.

Angell & Ames on Corporations, sec. 312 (4th Ed.)

Hersey v. Veazie, 11 Shepley, 1 (1844), which was a bill by one against officers of the Corporation.

The result of these authorities is, that a director of a private corporation, created under the ordinary rules of the common law, as is the case of the Ohio Life Insurance and Trust Company, is liable in the courts of law to the corporation, upon a suit brought by the corporation, to make good any losses which the corporation may prove that they have sustained by a breach of duty on his part, he being answerable, and he only being answerable for his misconduct, and being

in no respect answerable for the misconduct of his co-directors, unless he has, by participating in their misconduct, or actively conniving at it, made it his misconduct.

Stell's Appeal, 10 Barr, 153, (1848).

Glenn v. McKim, 3 Gill, 382, (1845).

Boyd v. Boyd, 3 Grattan, 123, (1846).

Peter v. Beverly, 10 Peters, 534; affirmed in 1 Howard, 134.

Taylor v. Benham, 5 Howard, 275, "where a Trustee is liable for more [than the money he has received], it must be in the language of the books in cases of very supine negligence or willful default."

A Director is not liable to any creditor, in any suit at law, no matter what loss his neglect or misconduct may have inflicted on the corporation, of which the plaintiff was a creditor.

No suit can be brought in equity by any creditor of a corporation against its Directors for acts occasioning a failure of the corporation, if there is any other person, except the delinquent Directors, who have a legal right to bring an action to enforce the rights of the corporation.

It follows that the complainants have no independent right of their own to enforce in this action; that at most they are acting only for the corporation, and that, therefore, acts of acquiescence by the coporation in a given course of dealing are relevant to the inquiry, whether the corporation can complain of such course of conduct as a breach of trust—on the principle that a cestui que trust concurring in a breach of trust, or drawing the Trustee into a course of conduct which amounts to a breach of trust, is forever estopped from proceeding against him for the consequences of the act. Lewin on Trusts, *774.

If the Ohio Life Insurance and Trust Company are in effect the complainants—and I do not now care whether Bell & Grant do rightfully represent them or not—it is to be observed that there is a wide difference in the power, and,

therefore, in the responsibility, of a Trustee to whom a private trust, though others are joined with him, is confided; where all must unite, and where each has an absolute veto on the proceedings of all; and the position of one of twenty directors, who can do no act in his individual capacity, and where, by the very terms of the trust, those in whom the corporate power is vested, may confide to *any part* of their number, less than a majority, the management of the corporate affairs; and where, therefore, a majority of such minority may lawfully exercise the powers of the corporation. Sec. 8 of Charter. This is a power in the Board, in which all the corporate powers are lodged, to define the duties of its several members, to designate its working members, to say who shall labor at the details of the daily business, and who shall give special attention when specially called on. Sec. 8 is a legislative declaration that neither the omission of an individual director, not being by the corporation itself designatad to perform that duty, to attend the ordinary meetings of the Board; nor his unsuspecting reliance on the fidelity and skill of those whom the corporation has appointed to discharge that duty, and who discharge it, can be imputed to him as an abandonment of the trust. The courts of equity have always recognized the right of the creator of the trust to discriminate among the Trustees in the distribution of the duties of its management; and even in cases of private trusts, have constantly admitted the propriety and necessity of a division of the labor.

Edmonds v. Crenshaw, 14 Peters, 169.

Jones' Appeal, 8 Watts & Serg., 149, (1844).

Boyd v. Boyd, 3 Grattan, 123, (1816).

Glenn v. McKim, 3 Gill, 382, (1845).

And it is a necessary result of this right to divide the labor, and employ servants, that it is no breach of trust to rely on the accuracy, honesty and fidelity of fellow trustees, or of paid agents, servants and managers; nor to treat such persons, being in fact unsuspected by the trustee himself, as

unsuspected persons; nor to omit to make investigations where no apparent need of an investigation exists; nor to be deceived by servants apparently faithful, as by false entries in books of account, or false report of the trust fund.

Scott v. Depeyster, 1 Edward Chan., 513.

Where breaches of trust are imputed, with respect to the acts of servants, and losses are shown from the servants' acts, the accuser must show by clear evidence that the trustee knew, before the loss happened, the unfaithful character of the servant, and omitted to communicate his knowledge to his co-directors, and that loss ensued in consequence. Such a charge was made in Scott v. Depeyster, 1 Edward Chan., 513, already alluded to, where the Secretary had embezzled the funds and wasted them in gambling, that he was known to the directors to have been a gambler. The case of a private trustee, holding a personal trust, and having a clerk under his eye, who forges his check and is afterward trusted with the trust fund, is quite different from the case of a Cashier, trained from a lad in the details of the Company's business, distant seven hundred miles from this defendant, and daily managing affairs in the great money market of the nation, which few men are thought competent even to understand. From the earliest Italian banks to the present time, banking has always been considered a complicated business, difficult to comprehend, and more difficult to manage, and cashiers are men to whose experienced skill directors of banks look up, and to whom they necessarily confide great concerns, and against whom an accusation, which, if well founded, must impair the credit of their institution, is cautiously received, and not hastily credited. The state of this defendant's knowledge of the character and operations of Ludlow, is stated in the answer—"He (Ludlow) was familiar with its affairs, and reputed a man of business talent and of integrity, and until after the failure he never heard a suspicion against him." It is to no purpose to say, after a disaster has happened, and a thousand eyes have diligently scrutinized all his con-

duct, in the light of its development, that this defendant might have known from such and such letters or reports that an investigation was called for. To impute to this defendant, who was not charged with any special committee duty, a knowledge of the voluminous correspondence of the Bank with its Cashier, or to blame him for not knowing it, would be to exact the highest degree of diligence which under any circumstances is required of a paid agent. The question is not, could he, if he had suspected and had set himself to work to find causes for his suspicion, have found them in the Bank at Cincinnati? But, did he in fact suspect?

Where breaches of trust are imputed, in respect to the investment of funds, the accuser must show, either that such investments were, at the time they were made, wholly out of the usual channels of business; or were at the time they were made, known to be on inadequate securities; or that some private benefit was acquired by the trustee making the loan, and a loss resulted. Errors of judgment in making investments, in allowable funds, never amount to a breach of trust.

This defendant, not being a member of the Finance Committee, few transactions under this class came under his hands; and in all those which did, it is affirmatively shown that no losses have happened. 2d Bishop, ans. 106, 107, p. 96.

It appears that about $750,000 of the capital was not invested in mortgages to private individuals; and a charge is made with respect to this, as an act of omission, from which a loss has happened. I am not aware that the charge affects this defendant, but it is so easily answered that I notice it. The charter required, Sec. 7, investments in bonds or notes, drawing interest not exceeding seven per cent., secured by unincumbered real estate, within the State of Ohio. In consequence of the laws upon the subject of taxing banks, which subjected this Bank to a tax of about $70,000 a year, the Bank determined to wind up, as other banks had done, and gave notice to this class of its debtors accordingly. Money

came in, under this call, and as the 12th Standing Rule required all the loans of this class to be made payable on demand, it naturally happened that applications were not made which would allow of its reinvestment in the same way. To make out a case of breach of trust, in this respect, it must be shown that the calling in was only colorable and fraudulent; or that proper applications were made for its reinvestment, which ought to have been accepted, but which were wrongfully declined. The mere omission to invest was not wrongful; a willful default to invest when investments were offered, must be shown. Corwin v. The Urbana & Champaign Mutual Insurance Co., 14 Ohio, p. 11.

The Company did the next best thing. They invested in the bonds of railroads, secured by mortgages, which, in the language of the books, are "bonds secured by real estate." Twaddle's Appeal, 5 Barr, 15. It had been a practice, before Nathaniel Wright came into the Board, to make loans on such real estate securities (2 B. 105, p. 96). They were then the current securities of the country, which had almost superseded all other stocks. He had a right to take the judgment of the Corporation thus expressed, as to the propriety of such securities.

It is a remarkable fact, that in all the loans in which the influence of partiality, and the natural desire to aid one's friends, might have been expected to have exhibited themselves, in those namely to the Directors themselves, though made in time of prosperity, and paid in time of panic, all the securities turned out ample, and no loss resulted to the Corporation. This fact raises some presumption in the minds of fair men, that other loans, made on equal means of knowledge of the borrowers, would prove as free as these have proved from all unhandsome conduct. The question of paying in depreciated checks, which I shall consider presently, does not affect this matter.

The case of Scott v. Depeyster, 1 Edward Chan. 513, is in point upon the question whether losses have *resulted* from this

taking of railroad securities. In that case, the Company were authorized to lend on bottomry, instead of which they discounted notes. The Courts were divided in opinion, but ultimately held that this use of the funds was unauthorized; but it was held that the honest mistake of the Directors as to the extent of their authority to lend money, and the kind of security they might take, did not involve them in the consequences of a breach of trust; and as the funds, in whatever shape they might be, would have been equally exposed to plunder from the dishonesty of the Secretary, who did plunder them, the loss could not be said, in any proper sense, to result from the departure from the authorized kind of investment.

The attention of Mr. Bishop, in his crossexamination, was called to the subject of N. W.'s attendance at the meetings of the Board, and he names all the days upon which he attended, when any business was transacted which could in any way be called in question; and he was then asked as to all the transactions of those days, and it appears affirmatively, that there was no act of the Board in which N. Wright concurred from which any loss resulted to the Corporation. This disposes of the question of N. Wright's liabilty on the ground of any personal misconduct in the execution of his duty as Director.

The next inquiry is, whether he connived with any officer of the Company in any breach of trust. He resided in Cincinnati. His means of information as to the state of the Company's business were derived from his fellow Directors, upon which subject there is no evidence—from occasional examinations of the books, to which he swears in his answer—from the statement book lying on the Director's table—containing transcripts of the balances of the New York Agency, as reported from time to time by Ludlow—and personal communication with Mr. Bishop, the Assistant Cashier, and the clerks in the Bank:

It was the duty of the Assistant Cashier carefully to ob-

serve the conduct of all persons employed under him, and report to the Board all such instances of neglect, incapacity or bad conduct as he might observe in any of them. Mr. Bishop was not absent from his post a month in fourteen years; and he testifies that no person was retained in the employ of the Company who had been reported guilty of neglect during the period of N. Wright's Directorship.

With respect to the state of the balances in the private accounts of the New York Agency, the Home office was informed by reports from Ludlow semi-monthly; which reports were copied into a statement book that lay upon the table of the Directors, and was examined by the Directors. Mr. Bishop examined them. They were apparently in accordance with the instructions contained in the resolution of February 14, 1855, page 502 of the Minutes. There was nothing in them apparently that called for investigation, or further examination. He noticed nothing omitted, and made no communication indicative of any defect in them to N. Wright. Mr. Ludlow's reports were upon printed blanks. In the column headed approved, some loans had the name of the approving Trustee in his own hand writing, while others appear in Ludlow's, as a statement of a fact, without any attempt at imitation of the approving Director's signiture. A question was asked Mr. Bishop, by the counsel for the complainants, suggesting that it was negligence in the Directors to trust to Mr. Ludlow's report in respect to the actual presence of the securities in New York. The answer is, that the by-law itself provided for that report, as a means of certifying the Board of the state of the "securities," p. 66.

Mr. Bishop relied on these reports of Mr. Ludlow as correct; and he had no occasion to change his opinion until his visit to New York, in November, 1857, two months after the failure, when he found that though the books appeared regular enough, they were full of false entries. The home office believed these reports to be true, and the last statement that Ludlow furnished them, dated May 1, 1857, with mere exceptions in details, was found generally correct.

The moment the Directors of a Corporation begin to distrust the truthfulness of the reports made to them by their officers, a duty arises to remove such untrustworthy person from all places of trust.

If Mr. Bishop, with fourteen years' experience, and with intimate knowledge of affairs, saw no ground of suspicion, is it to be imputed to this defendant, who would naturally inquire of Mr. Bishop, that *he should* have suspected?

I now proceed to notice the several charges of the bill in detail:

1st. That this defendant was guilty of gross negligence and want of ordinary care in failing to make examinations of the condition of the Company as required by the by-laws and rules.

This charge will be considered hereafter.

2d. In making advances to railroad companies and individuals, in large sums, upon insufficient security, and in modes and upon terms contrary to the charter, by-laws and rules of the Company.

There is no charge in the bill that the capital was not kept invested as required by the charter. The evidence does not show in what respect these loans are charged to have been exceptionable. In every transaction for which Nathaniel Wright voted, the securities were ample, and no loss happened. 2d Bishop, 106, p. 96. He voted against the propositions to refer the application of Gilbert & Johnston, which is said to have occasioned the loss from the Pittsburg and Cleveland Railroad, to the New York Trustees. 2d Bishop, 114, p. 97. With respect to loans to individuals, two cases in support of this charge are offered in evidence: that to John Ackerman, the New York Agency Bookkeeper, $10,000, and that to Geo. O. Depew, the Transfer Clerk at New York, $5000; to secure which certain stocks were pledged; in all $15,000. Three thousand of which was in Rockwell's time. The average loans made at the New York Agency

were from $500,000 to $1,000,000. No evidence is adduced that the securities for these loans were not at the time they were made ample; nor does the evidence connect this defendant in any way with these transactions.

LOANS TO TRUSTEES.

The highest is that made to S. B. Keys, $22,548.86. The charge seems to be that the excess over $20,000 was a violation of section 17 of the charter, which provides that, "in addition [to loans not greater than $20,000], any Trustee may secure his own part of the capital stock, not exceeding $5000, by bond or note, and a conveyance of real estate in trust to the Company."

Nathaniel Wright's transactions individually are explained in 2d Bishop, 58, p. 63. The debt was $19,000—$5000 of which was on stock, and $14,000 on real estate—and not $21,000, as reported by Master Straub. Nathaniel Wright, jr., who seems to have been confounded with this defendant, and who kept an account at the bank, had discounted for himself and passed to his credit two notes, made by Nathaniel Wright; one for $1500, dated June 8, 1857, and one for $1000, dated July 15, 1857. These were in no sense loans to the defendant, Nathaniel Wright. The Company were the purchasers of his obligations, became holders by discount of the paper, and in no manner for his benefit.

The renewal of the loans to Coe and Stedman, on their stock, is pointed at, 2d Bishop, 35, 37, as a violation of standing order 2 of the bank against renewals.

To this there are several answers:

1st. Nathaniel Wright was not a member of the Standing Committee to whose care were committed the notes, bills and other claims charged to suspended debt, under the fifth standing order.

2d. He did not himself renew the loans; did not vote for the renewal. It is not shown that he knew they were re-

newals. Ludlow's reports, from time to time, showing only the existence at a particular time of a loan.

3d. There were no losses on these loans.

C. Stetson's debt is also alluded to. It amounted to $58,029.56, and was paid in full by September 23, 1857. No loss happened. Mr. Bishop's testimony shows that this loan was kept from the knowledge of the Trustees, and did not come to the knowledge of Nathaniel Wright. 2d Bishop, 94, p. 95.

IN DECLARING DIVIDENDS.

The dividends from July, 1853, to July, 1857—the only ones to which this charge of the complainants can apply so far as it respects Nathaniel Wright—are affirmatively shown to have been made upon examination and report of the Finance Committee; and Mr. Bishop, an officer of fourteen years' experience, says that there is nothing in the reports that would suggest the necessity of further inquiry, and that, as a bank officer, he would feel justified in declaring dividends to the amount declared.

In all cases the dividends met his approval, and he mentioned no disapproval to Nathaniel Wright or any one else. 2d Bishop, 73, 77, p. 92. N. W. did not vote for the dividend of July, 1857.

It is too late now to criticise the terms in which those reports are expressed, or to say that the Committee should have made a more searching examination. If the report was not palpably a violation of the by-laws, it justified this defendant in voting for the dividend recommended.

The charter made it obligatory to declare a dividend if there were profits, and it would have been a breach of duty to have refused to declare one, after an apparently proper report from the proper Committee had recommended it.

FAILING TO HOLD MEETING.

The failure of the evidence to substantiate this charge is signal.

At the meetings in October, enjoined by the fourth by-law, and at which it was contemplated that a majority of the Directors would be present, Nathaniel Wright was present:

November 7, 1853. 1 Minutes, p. 486.
October 2, 1854. 1 Minutes, p. 498.
" 1, 1855. 2 Minutes, p. 9.
" 1856. 2 Minutes, p. 21.

This covers the period of his directorship. His attendance upon the meetings of the Board on other days is shown in the testimony, and it appears affirmatively that no loss has been sustained by the Company from any of the transactions of those days for which he voted.

LUDLOW'S TRANSACTIONS.

1st. Allowing him to exercise certain powers without supervision. 2d. Omitting to make regular and proper examinations of his accounts and transactions.

Nathaniel Wright's interest in these charges is confined to transactions between 1853 and 1857.

The duty of a Director of a Corporation is to follow out the requirements of the charter and by-laws.

The charter, sec. 8, provides that all the corporate powers of said Company shall be exercised by a Board of Trustees and such officers and agents as they shall appoint. A Cashier is nowhere mentioned, nor are his duties nor those of the Board to him, anywhere spoken of. The duties of the Cashier are defined in by-law 7, and the supervisors appointed over him are the Committee of Finance. By-law 19.

When the New York Agency was established in 1838, Mr. Perkins, the Cashier, was sent to that city to take charge of the office there, an Assistant Cashier was appointed, and a division of the duties of the office of Cashier took place in fact, though no explicit and formal provision for that purpose by a by-law appears.

Compliance with all the requirements of by-laws 7 and 19

on the part of the Cashier resident in New York, e. g. daily to examine the settlement of the cash account of the banking department; to lay before the Board on every discount day a general statement of the accounts of his department; attend all the meetings of the Board relating to the banking department; keep a record of the proceedings of the meetings, etc., was obviously impossible. Nobody could have expected it. Nobody, in the course of twenty years, ever asserted such a thing.

The power to make a by-law existed in the Board and not in the Corporation at large, sec. 8 of the charter. The omission to make a by-law to provide for the alterations which the residence of the Cashier in New York required, was no breach of trust. Scott v. Depeyster. They might have chosen, as they did choose in by-laws 5 and 7, to direct the duties of an officer by requisitions from time to time through the President, or by trusting to his discretion and observing the effects of his conduct. They did this in the case of the New York Agency. They originally gave no orders: and the limitations on the discretion of the Cashier were subsequently made as occasions for them were suggested by the exigencies of their business.

They were the resolutions of July 12, 1843, minutes 75; of February 14, 1855, minutes 502, and Stetson's letter to Ludlow of February 14, 1855.

In the 9th by-law the Trustees who had power to make by-laws, restricted themselves in the exercise of their power by providing that no by-law should be adopted except on 30 days' previous notice, and the consent of three fifths of the whole number of Trustees, and with the approval of a majority of the Trustees present at the meeting. These formalities were not observed in the resolutions of 1843 and 1855: but it by no means follows from thence that this defendant is to be charged with the consequences of a breach of trust. These resolutions were, in effect, by the acquiescence of a corporate body for more than nine years before this de-

fendant became a Trustee, by-laws, modifying the seventh by-law. The existence of the New York Agency was well known to the Corporation and all who had dealings with it; was known to the Supreme Court in its capacity as visitor; the mode of supervising it under these resolutions was not objected to; and the case falls within the well-known rule that the habitual practice for years of those who have the right to regulate the practice, settles the true interpretation of the rules and orders.

Supervision implies the giving of orders and seeing to their enforcement. The kind of orders to be given was a matter of discretion, the exercise of which, under sec. 8 of the charter, was vested exclusively in the Board of Trustees. If the resolutions alluded to, had, by the acquiescence of the Corporation, the effect of by-laws, no objection can now be taken on the ground that subsequent events have demonstrated the impolicy of the course adopted; or that they gave too extensive powers to the Cashier.

So far as directions to subordinates constitute intervention and supervision, the Directors exercised them by these orders. 1. They forbade the Cashier to engage in any regular business other than that of the Company. 2. To lend the money of the Company without the consent or approval of one or more of the Trustees at New York. 3. To sell stocks held by the Company unless so directed by the Board of Trustees. 4. They directed him to make exchange and not loans a leading object. 5. They directed that the loans made should have collaterals with a margin of 20 per cent. excess between the market value of the stock and the amount of the loan. 6. They forbade loans on the stock of the Company. 7. They required him to transmit weekly a brief statement of the loans made, giving the name of the actual borrower, amount, security, rate of interest, subject to what notice of payment and the name of the Trustee assenting. 8. They directed the loans to be made at low rates of interest on unquestionable securities.

Whether these regulations were wise or unwise, sufficient or insufficient, is of no importance provided they were in fact the orders of the Corporation, and were honestly supposed at the time they were made to be sufficient.

It is to be observed that they were adopted by the same authority which sent the Cashier to New York; and if they are not the act of the Corporation, the Company had no Cashier in New York, a position which the complainants are estopped to deny.

If the inadequacy of these orders can not constitute a breach of trust, the next inquiry is, whether there were gross negligence and want of ordinary care on the part of this defendant in seeing to the enforcement of them.

So far as Ludlow's reports to the home office showed—and his reports were believed and acted on by them as accurate and truthful, down to the 24th of August, 1857—he appeared to be complying with all these regulations. These reports were examined by the active Trustees, 2d Bishop 85, p. 93, by Bishop himself, who noticed nothing omitted, and who made no communication to this defendant upon the subject, 2 Bishop, 86 to 90, p. 94. A regular and voluminous correspondence was kept up by the salaried officers of the Company, including the President, with Ludlow. Several investigations were made of the business of the Agency by competent persons. Whether they were sufficiently searching, or sufficiently frequent, is of no consequence. They were evidence to this defendant that competent persons, members of the Board, were attending to the Company's affairs, and giving to it that degree of attention which in their judgment was necessary. Before blame can be attached to him in relying upon this supervision, some suspicious circumstance must be shown, which ought to have put him on a personal inquiry.

The complaints made by the State Bank, of errors in Ludlow's accounts, is said to be such a circumstance. 2 Bishop, 98, 99, 100, 101, p. 76; Answer, 108, 109, 110, 111, p. 97

This was a circumstance pertaining to the details of the Company's business. At that time Ackerman, who was considered competent, was the book-keeper. Mr. Stetson called the attention of the Board to the complaints made. They were considered errors incidental to a large business, and not as indicating want of integrity or capacity.

Nathaniel Wright, not being appointed on any committee whose duty it was to examine into details, is not shown to have heard these complaints; but assume he did, did the errors necessarily imply what the result has shown to have been the fact, that Ludlow was engaging in the fabrication and falsification of accounts? That aspect of the case did not present itself to Mr. Bishop, who was in almost daily communication with the New York Agency. It did not occur to any of the Board, nor to President Andrews. It was certainly very annoying; but as Ludlow was not the bookkeeper, it suggested nothing but that he was employing a man as bookkeeper who was incompetent or negligent.

It seems to be assumed in the testimony that the overdrafts of the Home Office upon the New York Agency compelled Ludlow, who was otherwise well disposed, to resort to all kinds of ambiguous practices. No amount of overdrafts can account for the state of the books in New York, for while Ludlows's reports and accounts were on their face unexceptionable, and unsuggestive of further examination, 2 Bishop, 48, p. 89; Answer, 85 to 91, p. 94, Mr. Bishop, who never suspected that they were unreliable, found after the failure, that Ludlow's books were full of fabricated accounts, the falsehood of which Ludlow admitted, and the consequences of their rectification he took upon himself, 2 Bishop, 48, p. 89; Answer, 89, p. 94. It was a case of a dishonest concealment by the Cashier of his own peculations, and is like the case of Scott v. Depeyster, 1 Edward Chan., 513, where the Secretary, instead of depositing the daily receipts of the office in bank, embezzled them, and exhibited to the President and committees forged bank passbooks; and when

checks drawn by himself, and countersigned by the President, were intrusted to him to pay debts, paid the debt himself in cash, raised the checks to a higher denomination, and squandered the money thus obtained. Ludlow effected the same objects by charging his peculations as loans to A, B and C, who had no dealings with the Company, and who lived in remote parts of the country. Heavy losses sustained through Ludlow's dishonesty, and concealed by fabricated accounts, are entirely consistent with the utmost good faith and diligence on the part of the Directors. A charge is therefore made to negative that good faith and diligence: the omission, namely, of regular and proper examinations of his accounts and transactions.

The bill properly alleges that the duty of the Directors, on this subject, is found in the charter and by-laws. The charge is founded on the violation of duty as therein stated.

The charter, in section 20, explicitly requires an examination under the visitorial power of the Supreme Court: and Bishop states it was annually made as required. 2d Bishop, 8, p. 81.

In section 27, the charter implicitly requires an examination in January and July annually, by requiring the Directors to make such dividend resulting from the profits as shall not impair the capital stock.

Mr. Bishop shows that all the dividends in the declaration of which this defendant participated, were made upon such examinations and the report of the Finance Committee.

The other examinations implicitly, but no where explicitly, required, are alluded to in by-law 7, requiring reports of the Cashier; by-law 8, requiring reports of the President; by-law 19, requiring the Secretary and Cashier to make reports to the Finance Committee, with a view to the semi-annual dividends; and by-laws 21, requiring monthly reports of the Standing Committees; and standing rule of Bank 5, requiring reports of the Finance Commitee on the state of the suspended debt.

The complainants' evidence shows no omission of reports, in any of these respects, and there is no other examination alluded to in the charter and by-laws than these. All imply that these examinations are to be made by the salaried officers and Standing Committees of the Company, and they do not impose any duty on persons not occupying these positions. Nathaniel Wright not occupying either position—serving gratuitously, and not being on any Standing Committee, no duty was cast on him under these provisions of the charter and by-laws.

For the reasons already stated, I assume that the resolutions affecting the New York Agency had the force of by-laws.

The charter and by-laws laying down no positive requisition as to an examination of Ludlow's accounts and transactions, except as already stated, it follows that the propriety and regularity of other examinations were matters of judgment and discretion, to be exercised by the Directors when and how they might think proper. The interest of each Director, arising from his ownership of $5000 of the stock, was a guarantee that no supine indifference to the affairs of an office on which from $10,000,000 to $12,000,000 were annually drawn by the home office, would prevent all examinations that the Directors thought necessary for the protection of the Company.

There is an element wanting in the complainants'charge, to raise a duty of more frequent examinations. They do not allege, and do not prove, that any of Ludlow's improper transactions came to the knowledge of this defendant. The fact that reports were made, was what concerned this defendant. I repeat that he had a right to assume that the examiners had done their duty, unless the contrary manifestly appeared. If the Committees relied on the balances represented by the books, they were right in doing so. That books balance is evidence to all commercial men, that each item is correctly stated. No one is bound to examine into the additions and

subtractions of the separate items. In Scott v. Depeyster, where the embezzlements of the Secretary had extended through several years, inquiry at the Bank where the Company kept its accounts, would instantly have detected his frauds. The President and Committees made no inquiry, assuming that the bankpass book correctly stated the account. This book was forged by the Secretary. It was held that a reliance upon this book, being in the course of business, by the President and Committees, was not negligence. So here, the complainants have made the case of an officer believed to have been competent and honest, and relied on as such without suspicion, defrauding his employers, and deceiving them by the falsification of his accounts. The answer of Nathaniel Wright, in this respect, is fully proved by Bishop's second deposition, and by all the circumstances. "He understood and believes the stock was held or represented in New York that controlled the elections. Many of the Stockholders were men of wealth and large experience, and some of them selected to give attention to the Agency in New York. This circumstance gave him confidence, and the idea of danger from the misconduct of the Cashier never entered his mind till he heard of the failure. He understood and believed the usual examination of the accounts of the Cashier were made both by the Trustees in New York, and by the President and Committees from Cincinnati, but he does not suppose they were made with any suspicion of the integrity of the Cashier."

PAYING DEBTS AFTER FALURE.

The next charge has reference to the Company paying certain creditors in full, by the assignment of notes, etc., between August 27, 1857, and September 26, 1857. The bill avers that this was contrary to their duties and trusts. At the time of the failure, Nathaniel Wright was at Rye Beach, New Hampshire. He returned home September 4, 1857, and attended the meetings until September 12, 1857.

"He took no part in the arrangements made to pay debts after the failure, nor does he recollect of being present at the Board when any order was made for such purpose. He understood there was no discrimination; that what was done, was under the advice of counsel."

This defendant, therefore, would have had no interest in this charge, had it not been, that, on the third day after the failure, the defendant's sons, in his absence, and without his knowledge, made arrangements to pay off a mortgage debt of $14,000, which he owed to the Company, which transaction, if the complainants' theory be correct, can not be sustained. This question does not involve any personal misconduct, but is a pure question of money.

The theory of the complainants seems to be, that the insolvency of a Corporation introduces a new element into the duties of its Directors, and makes those who before were only Trustees, exercising the powers of the Corporation for the sole benefit of the Corporation, Trustees for its general creditors. Such cases as Judge Story's dissenting opinion in Beaston v. Farmers' Bank, 12 Peters, 102, and Chancellor Buckner's opinion in Robins v. Embry, Smedes & Marshall Chan. Rep. 207, may be relied on.

In Beaston v. Farmers' Bank, the point was not raised nor decided. The question was whether a Corporation was a "person," within the meaning of the statutes, which give the United States priority of payment in case of insolvency. Robins v. Embry was reversed, on error, under the name of Arthur v. The Commercial and Railroad Bank, 9 Smedes & Marshall, 394.

The case of Catlin v. Eagle Bank, 6 Conn. 241, is in point. "Whether," said Chief Justice Hosmer, in delivering the opinion of the Court, "the Directors of the Corporation, after it has become actually insolvent, can make payment or give security to one of its creditors, and leave another unpaid and without security, is the general question to be determined." The facts were that the plaintiff, being

a creditor of the Eagle Bank, filed a bill in equity to set aside a mortgage, a payment of $15,000, and an assignment of bills receivable, amounting to $52,000, made by the Eagle Bank, after its failure and actual insolvency, to the Savings Bank, by which the other creditors were left unpaid and without security; and the Court decided that the Eagle Bank had a right, upon general principles of law, like any other failing debtor, to pay one creditor in preference to another, and they dismissed the bill with some contempt.

The same doctrine was affirmed in Dana v. Bank of the United States, 5 Watts & Serg. 247, in 1843; and in State of Maryland v. Bank of Maryland, 6 Gill & Johns. 206; though the question there was not so nakedly presented as in Catlin v. Eagle Bank.

In Dana v. Bank of the United States, the question was whether an assignment made by the Bank of the United States preferring certain creditors could be supported. As there were no statutes in Pennsylvania forbidding preferences in assignments, and as it was conceded that a failing debtor might make an assignment preferring some creditors and excluding others, the question necessarily arose whether the creditors of an insolvent Corporation had any equity which entitled them to insist upon the equal distribution of the assets of the corporation.

The right of a failing debtor not making any assignment, to apply his property to the payment of one creditor to the exclusion of others, is the settled law of Ohio. Wilcox v. Kellogg, 11 O. 394; Fasset v. Traber, 20 O. 545. There is no statute in Ohio restricting this right to natural and excluding artificial persons. On the contrary, the statutes imply that corporations, unrestrained by statute, would have a right, notwithstanding their insolvency, to transfer "the notes, bonds, bills of exchange, and other evidences of debt," in payment of their obligations, "to the preference of one creditor to another;" for the State Bank of Ohio is, by its charter, restrained, in the terms quoted, from making such

payments "after the commission of an act of insolvency." 2 Curwen, 1113, sec. 65. So in 13 Metcalf, 497.

The losses which are sustained upon the sale of checks at a depreciation, are no losses whatever to the Corporation. They are losses voluntarily submitted to by the creditor of the Corporation who sells his check. Any creditor may sell his claims to anybody who will buy them, at any price they choose to agree upon, and any Director may buy them, and if he does buy them, the statutes of setoff, 3 Curwen, 1942, sec 26; 1953, sec. 99, allow him to "compensate" the debt he owes to the Corporation with them.

The rule which prevents a private Trustee from purchasing the trust property, has no application. In Whitwell v. Warner, 5 Washburn, 425, an assignment made by the Stockholders of a private Corporation, who were also its creditors, preferring themselves and excluding other creditors, there being no actual fraud, was held valid. To make the dealing in checks unlawful, it should have been charged that the Directors purposely destroyed the credit of the Company that they might be enabled to buy its obligations at a discount.

TRUSTEES PAYING THEIR DEBTS.

The next charge imputes corrupt motives, namely, that the Trustees having determined, on the 15th of September, to make an assignment, delayed it until the 26th of September, to allow the Trustees and their friends to pay off their debts and secure their claims.

Nathaniel Wright resigned September 12, 1857, for reasons stated in Exhibit 128. 2d Bishop 51, 52, page 90.

It is not pleasant to be compelled publicly to admit a personal infirmity, but the truth requires it. He was so deaf that he could not hear ordinary conversation. Matters were explained to him in a high tone of voice at the Board. He tried for a few days to act intelligently, but it was in vain. The assignment was not determined on, though it had been discussed at the time he resigned.

There is no evidence of corrupt motive with a view to oblige friends, and the evidence with respect to the Trustees themselves does not give even the appearance of truth to the charge. Excluding the debt of Stetson, which is shown not to have been known to the Directors, thirteen Trustees owed the Company in the aggregate $185,477, of which sum $129,000 had been paid before the 15th of September, and $21,000 additional was paid on the next day.

The evidence of Mr. Goodman shows that, from two to three weeks after the suspension—*i. e.* till about September 7 or 14—the checks were sold at par in large amounts. It is not imputed to any of the defendants, that they decried the credit of the Company. This disposes of the speculative character of these transactions; it reduces it to a question of money, and not to a question of morals; and that is, whether any obligation existed in law, which required the Trustees, when they were telegraphed from New York, on the 24th of August, 1857, that all the available funds of the Company in New York were tied up by attachments, instantly to make an assignment, or to suspend all the business of the Company—refuse to pay any of its debts, refuse to receive anything due it, and supinely wait for the effect of hostile proceedings against them. They did the State a great public service by paying the State Bank of Ohio, and "other favored and powerful creditors," and thus preventing the wide-spread ruin which the bankruptcy of those institutions would have occasioned.

This Court does not proceed on the theory, that if blameworthy conduct existed *somewhere*, the Board of Directors, as a body, are to be punished for it. The allegations of the Bill are founded, not on any alleged departure, by the action of the Board, from the plain letter of the trust, but on the alleged "gross neglect and want of ordinary care," on the part of the individuals to whom the trust was committed, in its management. The charges are to be taken distributively, as

arraigning *each defendant for his personal wrong-doing;* and the proofs must therefore be directed to the acts of *each individual.* My client wishes me to state that he has given a separate form to his defense, not because he thinks any of his colleagues in fault, any more than himself; but for the purpose of presenting more distinctly one part of the defense: and that is, that if the Court should even find anything faulty in the doings of the Board of Trustees, still they have to examine into the personal fault of each individual, before they can fix personal liability upon him.

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